



Daily Report

Latin America

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Cuba

Bush Remarks to Cuban-American Foundation Cited *FL1506005588 Havana Radio Reloj Network* *in Spanish 1954 GMT 14 Jun 88*

[Text] George Bush, U.S. presidential candidate for the Republican Party, has given assurances that if he is elected president he will do everything possible against the Cuban Government. The current U.S. vice president has learned well the lessons given by chief of state Ronald Reagan. With great insolence, Bush addressed a congress of the Cuban-American Foundation, a conservative organization of exiles of Cuban origin with economic and electoral power in Florida. Bush's oldest son is member of the foundation. The vice president said: If I become president, I will not make arrangements with the Cuban Government.

The Cuban-American Foundation signed an agreement with the U.S. Government committing itself to finance the settlement in the country of 7,000 people who left our fatherland in 1980. The agreement is the first one of its kind sponsored by the Reagan administration so that the private sector assumes responsibility over the needs of immigrants. According to its basic points, some 1,500 of the more than 7,000 people of Cuban origin who have lived in Peru, Venezuela, Costa Rica, Spain, and Panama for almost 10 years will be able to settle permanently in the United States each year.

However, the agreement does not include another 7,000 people who have remained in U.S. prisons since they left Cuba through the port of Mariel because they have no jobs or relatives in the United States. Those inmates rioted in two prisons at the end of last year and were relocated in small groups in other facilities with the promise that their cases would be reviewed.

U.S. Visa Restrictions Against Panama Assailed *PA1306013088 Havana International Service* *in Spanish 2300 GMT 11 Jun 88*

["Our America" commentary, read by Manolo Ortega]

[Excerpts] President Reagan has just committed another human rights violation when he signed a document denying entry into the United States of those Panamanians who support the current government of that isthmian nation. Reagan ordered the drafting of a blacklist and said that those included on the list will not be allowed to visit U.S. territory until there is a change in the Panamanian Government. In other words, Panamanians who want to travel to the United States have no freedom of thought. Either they oppose their country's legitimate government, or they will not be able to visit the northern power.

In addition, this decision shows that the backward U.S. Government is desperate over its inability to dominate a small nation determined to recover its sovereignty over a

strip of land usurped by Washington many years ago under the pretext of defending the interoceanic waterway. However, this strip of land was turned into a subversive military enclave against our America. That is the reason for this despair. It has been 12 months since the crisis broke out in Panama as a result of U.S. plans to ignore the Torrijos-Carter Treaties.

The right wing is a weak force in the local [Panamanian] picture, and it seems unlikely that it will gain strength. In fact, the Civic Crusade, which staged marches and street rallies to facilitate U.S. plans to destabilize nationalist forces, now appears decadent, even though the group has enjoyed all sorts of support from the U.S. Embassy in Panama City since June 1987. Some observers feel that the direct U.S. participation in the pressure tactics used against Panamanian authorities represents a general rejection of the Crusade, because it is very evident that businessmen, professional associations, and representatives of the Bishops' Conference are the ones managing the conspiracy under orders from Washington.

This clarifies the true motive of the conflict: To promote the abolition of the Torrijos-Carter Treaties that specify 31 December 1999 as the date for returning the canal to Panama and for U.S. forces to withdraw from the interoceanic waterway. [passage omitted] Panamanian patriotic feelings arouse support, and it is more than likely that in the race against the clock, the ill-intentioned campaign launched by Washington and its servants will fail.

U.S. Plans in El Salvador Said 'in Trouble' *PA1306133688 Havana International Service* *in Spanish 2300 GMT 12 Jun 88*

["Our America" commentary]

[Excerpts] Washington's counterinsurgency plan for El Salvador is in trouble. This is reflected in the increasing actions of the guerrillas, the expansion of the popular struggle, and the extreme right's efforts to eliminate the path called center of the road project headed by Jose Napoleon Duarte, who is now in a U.S. hospital suffering from a malignant tumor.

Duarte represented the U.S. political attempt to compete for the support of the masses against the revolutionary movement with reformist measures, while implementing selective military repression in the counterinsurgency war by reorganizing the Army for nontraditional warfare, following White House instructions.

However, the guerrillas' response of decentralizing their forces, increasing mobility, and intensifying the struggle for popular demands nullified the Yankee project, which never managed to satisfy the extreme right's desire for unchecked violence and total war.

With only a few months until the general elections, the government, which was headed until a few days ago by Duarte, has lost all credibility, and in recent partial

elections the extreme left [as heard] obtained a legislative majority, not because the population sympathizes with it but because it won the majority of the oligarchic votes. The members of the oligarchy were practically the only ones who voted. [passage omitted]

ARENA [National Republican Alliance] has the backing of the fascists who are determined to completely destroy the popular movement, as well as minority sectors that reject Duarte's counterinsurgency plan and do not have sufficient courage to join the masses to demand what they want. ARENA also has the support of a large portion of the Army's leadership, which also considers the U.S. plan obsolete and promotes total war.

In any case, analysts agree that Duarte and the Christian Democratic government's reform project are obsolete, and the dreams of the extreme right are no alternative for the masses. On the contrary, they are part of a past that cannot return. Therefore, due to the constant contradictions among the oligarchic sectors, the popular movement advocates intensification of the struggle at every level and the strengthening of the political areas that the dominant class has been obliged to surrender to the growing vigor of the masses.

El Salvador's solution will not be found in the U.S. projects or the generalized violence promoted by the extreme right. The final and definitive word belongs to the people and their armed and political organizations that demonstrate a growing vigor and control over national life. It has very specific expressions in the victorious military operations, the almost complete shutdown of national transportation, the presence of the insurgents in 14 departments, and the public activity of the FDR.

More on CSSR Foreign Minister Chnoupek's Visit

Tours Scientific Center

FL1406130088 Havana Tele-Rebelde Network
in Spanish 1100 GMT 14 Jun 88

[Text] Bohuslav Chnoupek, CSSR foreign minister, and the delegation accompanying him have visited in Havana the Institute of Genetics and [word indistinct] where he was briefed on the main research conducted by the scientific center. The CSSR minister and his entourage, who will remain in Cuba until 15 June, expressed their satisfaction with the progress made by Cuba in the scientific-technical field.

Signs Cultural Accord

FL1406185988 Havana Radio Rebelde Network
in Spanish 1700 GMT 14 Jun 88

[Report by Alexis Sotolongo from the Cuban Foreign Ministry]

[Text] Armando Hart Dávalos, member of the PCC Politburo and minister of culture, and Bohuslav Chnoupek, CSSR foreign minister, signed a few moments ago an agreement between the CSSR and Cuban Houses of

Culture in Cuba and the CSSR, respectively. The agreement allows for the organization of discussions and conferences on the political and cultural life of the two countries. It also allows for the exchange of artists.

We learned from unofficial sources that official talks between the Cuban and CSSR foreign ministers also ended this morning with very good results.

Isidoro Malmierca, member of the PCC Central Committee and foreign minister, and Chnoupek, foreign minister and member of the Czechoslovak Communist Party, headed the Cuban and CSSR delegations, respectively.

Chnoupek made exclusive remarks to this newsroom. In reference to the results of the talks, the Czechoslovak foreign minister said:

[Begin recording in vernacular with consecutive translation into Spanish] We discussed with my dear friend, Comrade Malmierca, matters related to international and bilateral affairs. It was a great joy yesterday and today to discuss our very friendly relations, which have been extensively developed and are based on common grounds. [Words indistinct] in all spheres without any problems. [end recording]

The Czechoslovak foreign minister will be received by Comrade Carlos Rafael Rodríguez, member of the PCC Politburo and vice president of the Council of State, this afternoon.

Meets With Malmierca

LD1406221088 Prague CTK in English 1854 GMT
14 Jun 88

[Text] Havana June 14 (CTK correspondent)—Czechoslovak Foreign Minister Bohuslav Chnoupek, currently on an official friendly visit to Cuba, inspected today the Havana institute of genetic engineering and biotechnology.

Later today, the Czechoslovak and Cuban representatives signed an inter-governmental agreement on the activity of the two countries' houses of culture. The document was signed by member of the Politburo of the Communist Party of Cuba Central Committee and Minister of Culture Armando Hart and Bohuslav Chnoupek. The agreement provides for the activities of the house of Cuban culture in Prague and the Czechoslovak cultural and information centre in Havana.

The Cuban and Czechoslovak representatives stressed the traditional relations between the two countries and appreciated the activities of the Czechoslovak and Cuban houses of culture. They also underlined the significant role of culture and ideology in the present changing international conditions.

Czechoslovak Foreign Minister Bohuslav Chnoupek and his Cuban counterpart Isidoro Malmierca agreed during their talks here today that new political thinking introduced on the international arena by the Soviet Union is the decisive factor of the current positive changes in international relations.

They highly appreciated the positive results of the recent Soviet-U.S. Moscow summit and their impact on the overall international situation. They also praised the move towards the elaboration of a treaty on halving strategic weapons and the progress made in some other spheres concerning disarmament. They agreed that the Moscow summit showed that despite differences in approaches, the Soviet Union and the USA can cooperate in this field.

The two foreign ministers stressed the political significance of the Soviet-American INF Treaty.

At the same time they stated that in spite of the positive developments in the world, serious problems still survive ranging from the continuing arms race in certain regions, space militarization attempts and regional conflicts to economic problems of the developing countries.

Bohuslav Chnoupek and Isidoro Malmierca further agreed that all states should actively participate in seeking solutions to problems existing in the world of today and in this connection they positively assessed the contribution of the nonaligned states in this direction.

They appreciated the recent Geneva Agreements on Afghanistan and voiced support for a peaceful and just solution of other regional conflicts.

They welcomed the democratization processes in some Latin American countries and stressed the significance of Latin America's political will to settle problems in this part of the world independently.

Dealing with the situation in Central America, they appreciated the approach of the Nicaraguan Government to the settlement of the situation in this part of the world and to the fulfillment of the Guatemala agreements. They agreed that the U.S. imperialism continues to pursue towards Central America the policy of strengthening the U.S. hegemonic position in the whole region. The attempts to overthrow the Nicaraguan Government and to interfere in the Panamanian affairs are part of this policy. The two ministers pointed to the danger arising from this policy of neo-globalism.

They condemned the policy of apartheid in the South African Republic, the unlawful occupation of Namibia and the destabilization course of the Pretoria regime pursued against the neighbouring independent states. They agreed that the Pretoria regime owes its continuing existence to the support granted by a number of Western countries and multinational companies and stressed the need to take sanctions against this regime.

They welcomed fresh positive factors which could contribute to seeking an acceptable political solution to the situation in southern Africa and appreciated the results of the recent London talks held on this subject by representatives of Angola, Cuba and the South African Republic and a U.S. delegation.

Received by Rodriguez

*FL1506025488 Havana Radio Reloj Network
in Spanish 0232 GMT 15 Jun 88*

[Text] Carlos Rafael Rodriguez, member of the PCC Politburo, met today in our capital with Bohuslav Chnoupek, member of the Communist Party of Czechoslovakia Central Committee and foreign minister. The Cuban leader gave the CSSR foreign minister a detailed explanation of the current domestic situation from the time the intense work of rectification of mistakes began and the results obtained so far. Carlos Rafael also noted the work being carried out in the management of the economy and the revitalization of voluntary work, and the current state of foreign trade.

Chnoupek gave an extensive briefing on the economic reform process in his country. He characterized the level of relations between Cuba and the CSSR as excellent.

CTK on Rodriguez Meeting

*LD1506085688 Prague CTK in English 0810 GMT
15 Jun 88*

[Text] Havana June 15 (CTK correspondent)—Czechoslovak Foreign Minister Bohuslav Chnoupek was received here today by Vice President of the State Council and the Council of Ministers of Cuba Carlos Rafael Rodriguez.

The two representatives informed each other of the situation in their countries, laying emphasis on righting mistakes of the past years in Cuba and the restructuring of the Czechoslovak national economy.

Discussing bilateral relations, they stated that they are at a very good level and that possible minor problems if they appear are solved flexibly and with responsibility.

Accord Signed With PRC Friendship Association

*FL1006135688 Havana Tele-Rebelde Network
in Spanish 1100 GMT 10 Jun 88*

[Text] The Cuban Institute of Friendship With Peoples, ICAP, and the Chinese People's Association for Friendship With Foreign Countries today signed a cooperation agreement, with the conviction that the strengthening of these ties will benefit the two countries.

Rene Rodriguez Cruz, ICAP president, and (?Liu Gengyin), vice president of the Chinese friendship association, signed the agreement, which expands the work of the two institutions and opens new roads for cooperation in the areas of diplomacy, technology, education, and information.

The exchange of information, as well as cultural publications, is included in the accord. The document also includes a general clause for celebrating Cuban and Chinese festivals.

The Chinese friendship association group has been in Cuba since 2 June and they have visited places of historic, economic, and social interest in Havana and several provinces. They plan to return to their country tomorrow, 10 June [date as heard].

Cienfuegos Production Work Resuming After Rains
*FL1006164588 Havana TeleRebelde Network
in Spanish 1100 GMT 10 Jun 88*

[Text] One of the basic tasks being carried out in Cienfuegos Province after the flooding caused by the recent tropical depression is the resumption of industrial production.

After a week's break in production, the bulk sugar terminal has begun shipping and receiving sugar. Its greatest losses occurred because ships did not leave the docks since port activities were paralyzed. Other provinces will now have to guarantee the raw material in a consistent manner.

The grain combine was not able to produce 2,800 metric tons of flour, valued at 5,960 pesos. Its production is now being guaranteed and the consuming provinces will be able to receive this item.

The animal feed factory, one of the most damaged, will not be able to resume normal production for at least 20 days. Part of its technical equipment needs to be replaced and the rest requires general maintenance.

Even though exports at the fishing port were not affected, there was an effect with regard to stored industrial goods and the port's refrigeration system was damaged. It will now take 15 to 30 days to solve the problems here.

It is worth mentioning the attitude of all workers at these industrial centers upon resuming production. They are currently planning to construct a canal that will allow drainage and prevent such intense flooding from occurring in the industrial zone of Cienfuegos in the future.

Ports Said Facing Worst Situation This Year
*FL1006153188 Havana Tele-Rebelde Network
in Spanish 1100 GMT 10 Jun 88*

[Text] The national port system is facing the worst and most tense situation of the year. Particularly serious problems have been reported in Havana and Santiago de Cuba Bays, where a considerable amount of merchandise has been crammed into the ports.

The plan for moving merchandise was not fulfilled in May, causing the goods to accumulate in the ports. The amount of merchandise has now increased to 43,200 metric tons.

The situation will become more complex when more than 772,000 tons of merchandise arrive this month.

Dominican Republic

Government Urged To Act on Drugs, Crime, Prices
*FL1406214088 Santo Domingo Radio Mil Network
in Spanish 1600 GMT 14 Jun 88*

[Text] Msgr Juan Antonio Flores, archbishop of La Vega, has asked the government to crack down on drug trafficking, crime, and price speculation on basic goods.

There is a general demand for (?regulated) prices for food, medication, and other products because the prices on primary consumer goods rise daily, said Flores.

Flores called for the approval of a proposal made by Reformist Party Deputy Emilio Vargas Ortega that the Dominican Republic be declared in a state of siege because of its economic crisis.

Vargas Ortega recently said that organized crime, drug trafficking, and the lack of authority on the part of President Joaquin Balaguer have created a situation that could lead to social uprisings.

Increased Flour Prices To Create More Problems
*FL1406172888 Santo Domingo Radio Mil Network
in Spanish 1600 GMT 14 Jun 88*

[Text] Santiago—The president of the Santiago Association of Wholesalers said today that the government's decision to increase the (?price) of flour will cause bigger problems for the business sector.

Domingo de la Cruz said that this government decision shows that businessmen are not to blame for increased prices of essential products.

We regret very much that the government has ordered higher flour prices, he said. This move will result in higher prices for other food products that are basic to the diet of the Dominican family, said De la Cruz. He also said that the people are going through desperate times, a result of the unusual way the government orders price changes for products in great demand. He noted that the government's position is contradictory, inasmuch as [words indistinct] the cost of items.

De la Cruz asserted that the government's measure to effect raids and arrest store owners is improper because they are not responsible for price hikes in basic goods. He said that the only crime the trade sector has committed is to work 18 hours or more every day without creating conflictive situations that might promote price increases.

Grenada

Blaize Comments on OECS Summit Results
FL 1406142488 Bridgetown CANA in English
2256 GMT 11 Jun 88

[Text] St. George's, Grenada, June 11, CANA—Leaders of the Organisation of Eastern Caribbean States (OECS) agreed at their recent summit to harmonize their customs laws, Grenada's Prime Minister Herbert Blaize said.

He said in a radio and television broadcast on Friday night that a timetable is to be fixed to bring about the changes.

The plan, he told the nation, is to ensure that "the same kinds of things you meet on customs in Grenada would be the same kind of thing you meet in customs in St. Lucia or wherever."

He also referred to the failure of the OECS heads, meeting in Kingston last week, to set a timetable for a referendum on the proposed unitary state as was expected.

Blaize said the decision was that the heads should not proceed on the issue until "we are satisfied that the people of all the states in the Eastern Caribbean have been well apprised of all that is involved."

"So it was agreed that all the committees which are in all the islands should proceed with the educational trust so that people would know what is being talked about so that when the time comes to ask them by referendum, they would be able to say yes or no," he said.

Apart from Grenada, the OECS members are Antigua and Barbuda, Dominica, Montserrat, St. Kitts/Nevis, St. Lucia, and St. Vincent and the Grenadines.

Blaize also spoke about the OECS heads' decision to allow nationals from the sub-regional grouping to travel among each other territories from October 1 with the use only of identification and social security cards, drivers licences or birth certificates.

He said the leaders have mandated the OECS Secretariat to come up with a "firm proposal" that would help to facilitate this decision.

According to Blaize people would now have to fill a simpler immigration entry form since many of the questions "being asked on those forms prepared by the airlines are not necessary for the statistical information that the tourist departments need".

Haiti

Journalists, Party React to Celestin Remarks
FL 1406220388 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 14 Jun 88

[Excerpts] The Haitian Journalists Association [AJH] yesterday reacted to Prime Minister Celestin's statements to the Senate last Friday in which he held the press and certain political parties responsible for the government's inability to put certain initiatives into practice. In a letter to the prime minister, AJH said the statements are a repetition of those Haitian leaders have been making for more than 32 years. [passage omitted]

We think, Mr Prime Minister, that such statements serve only to widen the gulf between the government and the public, the letter says. [passage omitted] It is difficult to see logically how press freedom can be an obstacle to your good intentions, or how it can prevent the realization of a ministry's development program. We feel that a statement of this nature constitutes one more threat to the exercise of the journalistic profession in Haiti. [passage omitted]

The role of the press is not to spend all its time singing the government's praises, or to keep its mouth shut about the truth, about the country's true situation. Its role is, rather, to inform.

We hope to be able to continue to fulfill our role as citizens in the society, with respect for principles and professional ethics and without any threats from your government that might continue to obstruct the free circulation of information or the freedom of speech in Haiti. [passage omitted]

The Haitian Christian Democratic Party [PDCH] considers that the prime minister's statements are nothing less than an acknowledgement of the failure of the Manigat-Celestin government. The PDCH believes that the government's only alternatives are to resign or to eliminate the press and the opposition. The PDCH's press release of 13 June says: [passage omitted] The independent, objective, and uncorrupted press and the opposition represent 90 percent of the Haitian people. Thus, the prime minister is aware that the Haitian people have rejected them from the 29 November massacre to this day. [passage omitted]

Soldiers Disperse Cap Haitien Demonstrations
FL 1406153888 Port-au-Prince Radio Soleil
Network in Creole 1830 GMT 13 Jun 88

[Text] Several hundred young people demonstrated in Cap Haitien Saturday on the occasion of the funeral of (Reynold Livrose), who was killed by a member of the Armed Forces. We will hear the story from our correspondent in Cap Haitien:

[Correspondent (Curis Maxineau)] The funeral of 19-year-old (Reynold Livrose), who was killed in the La Fossette section of Cap Haitien on Monday, 6 June, by a Haitian soldier, was held at Sacre Coeur Church in Cap Haitien last Saturday, 11 June.

The funeral service was conducted by (Jacques Lajoie), the national chaplain for the Boy Scouts of Haiti, because (Livrose) was a troop leader in the (Louis Mercier) group for 1987-88. Many people attended the funeral.

As the priest conducted the service inside the church, things heated up outside. Many young people on the church steps chanted slogans clearly showing how much the cowardly murder of (Livrose) pained them. As soon as the service was over, the young people took to the streets to demonstrate with small branches from trees in hand. Many awful things were being said about the Haitian Army. The demonstrators threw in anti-Manigat slogans as well. They said many terrible things about the Haitian president, too.

The things said are unfortunately too rough for us to repeat for you. We don't want it said that we are vulgar.

The demonstrators, estimated at several hundred, made for La Fossette, heading for the Court of Conciliation there, where Justice of the Peace (Gerald Jonas Bien-Aime) signed (Livrose's) death warrant. That's when the situation deteriorated.

The soldiers guarding the court office fired off a few shots. The demonstrators responded with rocks. The military had to use a great deal of tear gas to disperse the demonstrators. Two Haitian Armed Forces jeeps spent the rest of the afternoon patrolling the entire La Fossette area. Whenever they would see two or three people standing together, they would fire off a tear gas grenade to disperse them.

We remind listeners that (Livrose) was killed last 6 June. (Livrose) had testified during a trial in La Fossette that justice in Cap Haitien was purchased with money. Justice of the Peace (Gerald Jonas Bien-Aime) took offense and ordered a soldier present to arrest (Livrose). The soldier shot (Livrose) as he tried to flee.

Jamaica

Bus Drivers Strike Leaves Thousands Stranded
FL1406133088 Bridgetown CANA in English
2125 GMT 11 Jun 88

[Text] Kingston, Jamaica, Jun 11, CANA—Thousands of commuters were stranded on Saturday because of a strike by bus workers who are protesting the shooting death of a colleague. A minibus driver was shot in so far unexplained circumstances on Friday night.

Some drivers took shoppers into the city but joined the strike later in the day. The action meant that hundreds of people had to walk home. Transport Minister Parnel Charles was due to meet driver representatives on Saturday evening.

Transportation in Jamaica is in private hands following government divestment of the sector in 1982.

St Vincent and the Grenadines

Gonsalves Criticizes Strict Marxism-Leninism
FL1406153888 Bridgetown CANA in English
1732 GMT 11 Jun 88

[Text] Kingston, St Vincent, June 11, CANA—Dr. Ralph Gonsalves, leader of the opposition Movement for National Unity (MNU), has criticised the Leninist approach to political party-building in the Eastern Caribbean.

The former lecturer in government at the University of the West Indies used to be viewed as one of the leading Marxist ideologues in the Eastern Caribbean.

He pointed to a publication from the Communist Worker's Party of Jamaica [WPJ] entitled, *Contribution to Rethinking: Issues in the Communist Movement*, which he described as a soul-searching reassessment of the path the party has followed since its formation in 1977. Gonsalves said: It apparently took Gorbachev's glasnost (democratic opening) and perestroika (restructuring) to jolt them into some acknowledgement of Jamaican realities and the real work of politics generally. He said that most of the WPJ leadership concluded that the party's tightly-organised, highly disciplined structure established along strict Leninist principles had been a failure.

The opposition party leader was highly critical of the doctrinaire programmatic positions of the Leninist approach. The path to political self-destruction in the Caribbean was the path of the so-called strict adherence to Leninist principles, the MNU party leader said.

He charged that WPJ leader Dr Trevor Munroe initially resisted the reform movement in that party, but has now donned the rethinking garment with much enthusiasm. The doctrinaire Leninism which Munroe and Bernard Coard of Grenada espoused in the late 1970's and early 1980's is to a large extent responsible for the collapse of the Grenada revolution and the stunted growth of the left movement in the entire English-speaking Caribbean, the Vincentian lawyer said.

He said also detailed his break with the United People's Movement [UPM] in 1982 and which led to the formation of the MNU. There was an attempt to establish the WPJ as the model party for others in the region to imitate, according to Gonsalves, and conferences were organised to push that particular line. The records would show that I resisted the Munroe-Coard philosophical axis and refused to attend any similar conferences in the future. It was the beginning of my break with the UPM. I was even chastised for refusing to allow Dr Munroe to send someone to St Vincent to assist in reorganising the UPM along Leninist lines, he said.

Writing in his party organ, UNITY, Gonsalves added: The Leninist line on party-building was wrong and inappropriate for our circumstances.

Trinidad and Tobago

Prime Minister Robinson Returns From U.S. Trip
FL1406144388 Bridgetown CANA in English
1414 GMT 13 Jun 88

[Text] Port-of-Spain, Trinidad, June 13, CANA—Trinidad and Tobago's Prime Minister A.N.R. Robinson returned from a two-week visit to the United States on Sunday, with the promise of a new American investment mission due here in October, but no immediate signs of financial help.

Following a trip in which he discussed drugs, disarmament, and money, Robinson said he met with a group of private firm representatives interested in investing in Trinidad and Tobago. A mission will be coming to Trinidad and Tobago in October representing...some of those firms with a view to exploring possible avenue for investment as well as trade, Robinson told reporters at Piarco airport on Sunday night.

Robinson began his trip—the second to the United States during his 18 month term—in New York with an address to a special United Nations (UN) session on disarmament.

Questioned on what positive results the trip had achieved, Robinson said the country did not go with a beggar bowl. Insisting that Trinidad and Tobago was not a beggar nation, Robinson said that the contacts and structures currently being laid needed time to develop.

On non-financial matters, Robinson referred to a United Nations (UN) move to bring together countries to fight the international drug trade. Declining to give details of what was discussed at the UN Secretariat-convened meeting in Washington, Robinson said: I am satisfied that this is going to have significant results in terms of mobilising resources in the struggle against drug trade, not only in Trinidad and Tobago but in the Caribbean generally and, in fact, worldwide.

Also in Washington, Robinson said he met with the U.S. Export-Import Bank and the Inter-American Development Bank (IDB).

Whilst not talking about current applications by Trinidad and Tobago to the Washington-based International Monetary Fund (IMF) for stopgap financial help under the funds Compensatory Financing Facility (CFF), Robinson described other agencies such as the IDB, the Caribbean Development Bank, and the United Nations Development Programme (UNDP) as sympathetic to the twin island republic.

Trinidad and Tobago, seeking to grapple with its declining petroleum-based economy and resulting problems, is currently the subject of a IMF annual consultation. A six-member mission arrived here last week for a three-week assessment of all Trinidad/IMF relations including its application under the CFF to help cope with temporary shortfalls in oil revenue.

Criticizes Developed Countries

FL1406144788 Bridgetown CANA in English
1652 GMT 13 Jun 88

[Text] Port-of-Spain, Trinidad, June 13, CANA—Trinidad and Tobago Prime Minister, A.N.R. Robinson, on Sunday night criticised the attitude of developed countries to helping Third World nations develop.

Commenting on the response to Trinidad and Tobago's aid hunt, he said: I have no doubt in my mind (that) if there is no positive response from the developed countries...they have no interest whatever in developing countries being developed, that their interest is in maintaining total control over the global economy and over the economic life of the developing world.

Robinson, who returned to Trinidad from a two-week United States visit, said that Trinidad and Tobago was still having problems gaining access to concessional funds from the World Bank.

Trinidad and Tobago has been seeking a change of heart from the World Bank which made the twin island republic ineligible to receive loans in 1983 based on the criterion that its then per capita income was over US\$6,000 dollars.

Pointing to declines in the petroleum based economy since then and the fact that the decision was taken at the height of the country's oil boom, Robinson's administration has been unable to get a reversal in this decision.

Robinson told reporters at Piarco airport Sunday that he had presented this country's case to the Caribbean group for cooperation in economic development which met under World Bank auspices in Washington. But he said continued resistance to Trinidad's case continued at the bank. Robinson said that Trinidad and Tobago's case was irresistible to anyone concerned with the issue of development and the plight of developing countries.

As well as seeking reversal of Trinidad and Tobago's graduation at the World Bank, the government has also been trying to hunt stopgap financing from the International Monetary Fund (IMF). The money being sought under IMF's Compensatory Financing Facility (CFF) is to help the country following revenue shortfalls from oil due to declining and fluctuating international prices.

El Salvador

Duarte May Return to Country in '30 Days'

PA1406171888 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 14 Jun 88

[Excerpts] President Jose Napoleon Duarte may be returning to the country in 30 days and could resume some of his presidential duties. Culture and Communications Minister Roberto Edmundo Viera has reported.

Minister Viera said this will depend on Duarte's steady recovery, and he noted that doctors have thus far been pleased with his progress. Duarte was admitted to the Walter Reed Military Hospital in Washington on 31 May. [passage omitted]

The Salvadoran Government received the ninth report from the U.S.-Salvadoran medical team attending President Duarte yesterday afternoon. The report described his general condition as grave and his doctors' prognosis was guarded.

The report said that Duarte's blood pressure and pulse were normal and that he had no cardiovascular complications. The report added that his respiratory problem was being treated with breathing therapy, his catheter had been removed, and he would begin a liquid diet. Duarte was described as very optimistic, and the doctors noted that this attitude would aid his recovery. According to the medical report signed by Dr Luis Ramon Colato, the stitches from his operation have been removed and his doctors are in constant contact with one another regarding his treatment.

Guatemala

Newspaper Alleges, Army Denies 'Uprising'

PA1406204988 Panama City ACAN in Spanish
1945 GMT 14 Jun 88

[Text] Guatemala City, 14 Jun (AFP)—Today the local press reported that there was a new military uprising last Friday on the Chimaltenango base, 55 km west of the capital. However, Guatemalan Army spokesmen denied the report.

According to the newspaper EL GRAFICO, the uprising against Vinicio Cerezo's government was violently put down, leaving two officers and seven soldiers dead.

The newspaper points out that "information leaked from military installations state that troops that remained loyal to the military hierarchy and the government surprised those involved as they were starting to implement their plan in the evening; they were immediately subdued."

However, Colonel Luis Isaacs, head of Army public relations, assured AFP that the situation on all of the country's military bases, including that in Chimaltenango, is "completely normal," and he flatly denied that there had been an uprising.

"Nothing happened on the Chimaltenango base; in fact, there is nobody there called Soria," referring to one of the officers allegedly killed, according to the newspaper.

On 11 May two military bases in the Republic's countryside tried to carry out a coup d'etat. As a result, at least 4 commanders from various bases and 10 other military men, including 6 colonels, were punished.

Nicaragua

President Ortega Comments on Economics

PA1506045288 Managua Radio Sandino in Spanish
0250 GMT 15 Jun 88

[“Excerpt” of statement by President Daniel Ortega Saavedra during a “Face the People” program with the “basic forces of the revolution” at the Olof Palme Convention Center in Managua on 14 June—recorded]

[Text] The field of economics is quite complex, very complex, and very boring. It is tiresome and boring to try to listen to or to discuss this subject. However, it is an issue that exerts pressure on life in all countries—everywhere in the world—at every second, every minute, every day.

Our situation is all the more complex because we are involved in a war that has not ended regardless of talks with the contras, regardless of the fact that a suspension of offensive military operations has been declared unilaterally by the Nicaraguan Government. The economic problem, therefore, is much more complex. There are two constant variables, which are understood and accepted by all Nicaraguans who are in favor of the process of change and the revolution.

We accept the fact that there are two gigantic factors exerting pressure on our economy. These are the war and the unjust international economic system. They are external factors that we cannot manipulate at will, because these factors have been imposed on us from abroad. The war has been imposed on us by the United States. The economic embargo has been imposed on us by the United States. The United States is to blame for the failure to recognize the legality of our revolutionary government, for the entire policy directed toward disregarding that legality.

The unjust international economic order has been imposed on us by the capitalist market by the rich, industrialized countries with a market economy. It has been imposed by the United States, the developed European capitalist countries, and Japan. In other words, it has been imposed by the large, producer countries that possess the most advanced technology in the world, which are also the countries that consume coffee from Nicaragua, Colombia, Costa Rica, Guatemala, Central America, and Latin America. They purchase cotton and some other products that interest them. We are fully

aware of the story: They set the prices of the products that (?they purchase from us), and they also set the prices of the products that they sell to us.

Up to this point, the matter is very easy to understand. This is our domestic situation. We are forced to do something every year and every day to cope with our economic problems, because if our economy collapses, the entire society collapses, and the Nicaraguan revolution is seriously harmed. Therefore, we are obliged to get to work, to discuss this, and to make use of our human, physical, creative, and material resources in order to establish an economy that will help us to survive in these difficult times that our country is experiencing, in which the basic task continues to be the defense of our revolutionary government. That is a fact that should be very clear, but it is difficult to understand and, above all, to apply in everyday life, to apply to our own actions.

The EPS soldier's thought process in a war zone with regard to the economic problem is not the same. Why? Because what our comrade is thinking at that moment is how to fight the enemy more effectively on the battlefield, where he may lose his life if he is careless. Therefore, the political-ideological aspect of economics carries sometimes more and sometimes less weight in the minds of our mobilized men, because not all of them are mobilized with the same high spirit, not all of them are mobilized with the same political-ideological awareness. This awareness exists to a greater or lesser degree, because some have no political-ideological motivation. Some enter military service because they feel that this service has to be rendered to their country. This is an important factor.

However, what is most important for him is to protect his life, because he knows that if he is careless, if he falls asleep, if he does not know how to handle himself in combat, he dies. Therefore, a man in such circumstances cannot be talking during his time of rest about prices, salaries, production costs, and so forth. He talks about other things. However, once he is brought here to Managua, to Matagalpa, Granada, Masaya, or any city in our country, to his family circle, this comrade must discuss prices and salaries and how bad things are, how expensive products are. Therefore, to him the main problem now is not to defend his life against an enemy that may kill him, but to defend his economic survival amid a very difficult economic situation, which affects him and his family.

Sandino used to say in interviews with newsmen while Yankee troops were withdrawing from Nicaragua in January 1932 that a more difficult struggle was yet to be confronted, because it was easier to fight an enemy that could be seen or touched, such as the Yankee interventionist troops, than to struggle and fight against an enemy that could not be seen or touched, an enemy that tried to impose imperialist domination through other means, such as through economic domination. The shoeless, ragged peasant Sandino mobilized to confront the Yankee invasion at that time was of course not trained from a political-ideological standpoint to continue the

struggle against the system the Yankees were leaving behind when they withdrew—the capitalist system of imperialist domination, well-mounted and supported by the Somozist guards.

We suffered a little from what we could call a schism between the reality of the war and our economic reality. When we confront the economic problem, which, for obvious reasons, is related to our political-ideological weaknesses, our tendency is to forget the war and to look only at the economic problem in a context isolated from the war and isolated from the other external factor: the unjust international economic order.

In fact, we tend to do that at all levels. We have discussed these subjects with the workers, and I can assure you that at all levels of our society it is difficult for us to understand that we are at war, that this country has gradually deteriorated, which is the price we pay for our military victory against Yankee intervention.

We have subsidized the war at the expense of our economy. Because the economy has been affected—not only by the expense of maintaining our Army and our Interior Ministry, but also by the direct impact, the direct damage caused by Yankee aggression—we find ourselves with a seriously damaged, deeply affected economy. When a capitalist country faces economic problems—with or without a war—of the type that all developing countries, in particular Latin American countries, are now facing, their capitalist governments take economic measures to survive—somewhat like the ones we are taking.

Right now some developing countries are facing critical situations, despite the support lent by capitalist countries. The latter help only because it promotes their interests to do so. However, the support they give developing countries is barely adequate for those countries to keep afloat and not to drown altogether. They do not give full support, and they do not have policies that would allow Latin American countries to progress and to develop; the reason is because to do so would be to go against the interests of imperialism and capitalism.

We created a revolution in Nicaragua; we are not defending a capitalist scheme. We have been unable to establish a socialist system in this country, a system where private property ceases to be private and becomes state property. This has not been possible in Nicaragua for a geopolitical reason. Some people have pointed out that we have not developed that type of socialism for a geopolitical reason, and that is because the United States is right here alongside us and would not permit this, would invade us; or some people charge that we would be isolating ourselves from Latin America and the rest of the world, etc.

It has not been for a geopolitical reason that we have avoided taking such a profound step, such as that taken by Cuba. Private property was totally abolished in Cuba. If there is no private property, there can hardly be

political pluralism; in other words, political pluralism in the sense of allowing forces to exist that oppose the revolutionary process could not exist in a socialist state.

Political pluralism could take place in a socialist regime if there is an alliance between peasants and workers; within a revolutionary ideology there can be different interpretations and positions that can inspire a dialogue. We have wondered at various points whether it would be valid to engage in a line of action that would eliminate private property in this country.

But we face a reality. In this revolutionary process we are developing a society that was created by small-, medium-, and large-scale peasant producers. Imagine the impact of a policy to expropriate land from all those peasants and develop that land into a system of large productive units by introducing proper technology and irrigation. This would mean greater profits in the production of corn and beans because the peasants' production is very backward and poor, their yield is very low. If we take land away from the peasants, organize that land into large enterprises, and irrigate them by using money we do not now have, the production of corn and beans would surely increase and we would not have to take the broad economic measures that we took when we made up our minds to leave to the free market the production of corn, basic grains, and perishables.

From the technical, material, and economic viewpoint, this measure would be very wise. From the political viewpoint, however, the measure would be a mistake. In view of these problems, we have to keep in mind the need to defend revolutionary power. This is what is at stake. If we think we are experiencing a period of economic and social development in this country, we are mistaken. [sentence as heard] As long as our actions are protection-oriented and mistaken, we will not be able to understand the measures taken or apply them. Therefore, we will not be able to lead rural workers, producers, urban workers, youths, technicians, professionals, neighborhood residents, or anybody in this country.

Our revolution is one of socialist orientation. This is final. But we are not going through a stage in which using some socialist measures will help us reach the main objective; that is to say, the defense of revolutionary power.

We cannot think of measures to abolish private property in this country. We have to think of measures that will enable us to control and influence the economic crisis so the inflation that will continue in this country will not be as high, and so that production, which is being harmed in this country, can be restored, particularly where we want it restored. We cannot restore production everywhere, although everybody is willing to produce.

We must first protect and strengthen coffee production.

Should we fail to maintain a coherent, singular position it would mean that we have not understood our situation, that we are not aware of where we are going, of our current situation. If we fail to achieve political and ideological cohesion at this assembly—because, after all, it is political and ideological issues that demand our revolutionary cohesion—we will demonstrate our political and ideological weakness. This political and ideological weakness is expressed throughout all of society, and this is what we have tried to influence and have, in fact, influenced. We must grasp our situation: We are not a capitalist country; we are a socialist oriented revolution. Because of the problems already stated, we cannot nationalize the economy. It is our duty to control and [words indistinct] some people who are not producing enough, and this is what we have done. However, our policy is not aimed at doing away with private property in this country. It is simply a policy aimed at achieving productivity. We must admonish those who are not producing enough, and if they do not heed, their property is seized. We have expropriated properties that we needed to resettle peasants who were in an area and had to be resettled. Other expropriations were carried out through agrarian reform. Large-scale politically oriented expropriations took place at the time of the revolution.

Because we are faced with the reality that there are a great deal of small-and medium-scale landowners and a few large-scale landowners, we take part of their surplus production. We take their profits, or part of their profits, by means of taxes. Of each cordoba earned by a private producer, 75 centavos are collected for taxes. Nicaragua currently has the highest tax rate in Latin America and we cannot further increase taxes. We have policies to take from those people part of their profits. We take 75 centavos of every cordoba, and we use these profits to cover the country's budget deficit.

[1-second station break] the 80,000 health, education, INSSBI [Nicaraguan Social Security and Welfare Institute], and other government workers, and the 130,000 with permanent positions with the Army and the Interior Ministry.

In addition, we remove workers from the basic system for 1 month, 2 months, 3 months, or 1 year to mobilize them for defense. Therefore, on top of a fragile, unstable, disorganized base force of 205,000 workers, we have an additional 210,000. These are the workers involved in the military defense of the revolution: health workers, education workers, and workers from the rest of government.

Therefore, we have to face this reality. This basic system is not prepared to support 210,000 workers. The productive capacity of this basic system, when it is being besieged and undermined by military aggression, cannot be consolidated. Perhaps with fewer people, perhaps not with 205,000 workers but with 150,000 workers, all of them highly skilled with a lot of technical knowledge, we could have a productive capacity able to support not just 24,000 but 100,000 health workers and 100,000 education workers, instead of 34,000, as well as the 130,000

defense workers. After all, it is all (?relative). A solid base with sophisticated technology and resources available when needed, a stable base, could surely generate production and wealth in this country that is capable of providing good wages for 130,000 defense workers, 24,000 health workers, 34,000 education workers, and the 22,000 government workers. Then, we could increase the number of health and education workers, and with a basic system like that we could also make some of the investments that the country has to make, because so far we have been speaking of only one part of the problem.

And there we have a serious situation. We have a fiscal deficit created by that situation, a fiscal deficit that cannot be reduced any more than we have already reduced it.

We have to strengthen the political and ideological consciousness of the members of Nicaraguan society. We can only continue waging and winning this battle by political and ideological means. It is not possible to win this battle by economic means.

The measures that we implemented in February tend to make the economy more flexible and more broad. That might seem to run contrary to the class interests that this revolution defends. However, it must be understood as a necessary step to avoid having the economy collapse, to create conditions that will allow the economy to be rehabilitated and strengthened in the areas of greatest interest to us. This necessarily implies that certain branches of the economy will stop functioning, because we cannot keep the entire economy functioning and operating.

We cannot guarantee supplies to everyone when needed. We cannot guarantee foreign exchange to everyone when needed. We have a shortage of foreign exchange. We have a real shortage of cordobas. We could print more bills, but that amount of money would be much greater than the amount of the country's production. The country's production might be counted in the tens, while the amount of money is counted in the hundreds. Or the country's production might be 10, while the amount of money is 200 or 300. Then if we inject money through wages, investments, or credits, what would we have accomplished? Simply, all that money, totalling 200 or 1,000, exerts pressure on the wealth that we are producing, and this immediately creates more inflation, more disorder, and also frustration among the people who may have expected their situation to improve when their wages were increased.

That is why, since 1985, we have been waging a large-scale battle against the policy of increasing wages, a battle in which the Sandinist Central Organization of Workers and the Farm Workers Association have stood out.

We have to recognize that the comrade leaders and midlevel cadres of these organizations have capably explained and defended the policies of the revolution. [applause]

On the other hand, there are sectors that are weak and that continue to adhere to the policies of making demands, policies that are contrary to the class interests that we are defending.

The steps we took in February allowed us to take a large amount of currency out of circulation. Wage earning workers were not affected because most of them did not exchange [old cordobas for new cordobas]. They had nothing to exchange. Those affected were those who had some money saved, to a greater or lesser degree. This allowed the workers to regain some purchasing power. However, it is clear—we have been stating this ever since we took these steps in February—that inflation was going to continue [words indistinct]; that the currency exchange houses would need to continue to operate; that salaries would also have to be adjusted, but salaries would always lag behind prices.

Before the measures were implemented, certain estimates were made and announced. When the time came to evaluate the effects of the measures that were implemented on 15 February—we are evaluating them now on 14 June, making a preliminary evaluation and making the first adjustment—we found that it is necessary to move in a somewhat speedier and more sustained manner in all areas. These adjusted measures remain true to the guidelines. In other words, the policy does not vary. We have not varied the policy, but we are obliged to keep inflation in check, so that it does not rise too rapidly, but as slowly as we can make it without paralyzing the country. In order to achieve this, we have to contain, to contain [repeats himself] wages. We have to contain wages.

And we have to limit—and it is important for the UNAG [National Union of Farmers and Cattlemen] comrades and small businesses and cooperatives to understand this—we have to limit loans. Politically speaking, it is not fair for us to make demands of wage earners but not of producers. Economically speaking, we have to do this for our economy to survive, to keep it from dying. It is only now that we are putting restraints on that policy.

The fact is that throughout all these years, credit has been given away. Actually, that money was not given away; credit was given to a producer who paid interest on his loan. In other cases, when certain farmers had a bad harvest, we have written off their debt or refinanced their loans, because they could not pay.

We have used credit policies that are not used in any highly developed country, either capitalist or socialist. Those countries do not use these policies because such policies hurt those countries' economies and those countries' interests.

In a capitalist country, based on the capitalist system, such policies would place a capitalist system in jeopardy. Similarly, such policies would jeopardize a socialist system. However, here we have acted in violation of all economic rules recognized both in socialist and capitalist systems. As a result, for example, let us assume a

producer is given 100 cordobas on credit at a certain interest rate; meanwhile, those 100 cordobas are worth less each day as a result of inflation. Then, when that producer sells his crop, he gets paid an amount corresponding to the current rate of inflation; however, he repays the state the same amount the state loaned him.

In other words, if he received 100 cordobas, including interest, when he pays—let us say he repays 150—even though he received 100, he gave the bank 150 cordobas back. However, as a result of inflation, what the bank is actually getting back is 5 from the 100 cordobas it had loaned, because that 150 cordobas the bank is receiving from the producer are completely devaluated cordobas. The producer, on the other hand, who used that 100 cordobas to produce beans, corn, or coffee, or whatever, fights for the price of the product he is selling. At that moment, he forgets that the bank gave him a loan. The bank is not fighting to recover the 100 it loaned; the bank gave 100 and receives 5 back.

This is, of course, a tremendous source of inflation, and, to an unscrupulous producer—and there are probably a few—it would be a good business practice to go to the bank and borrow the money and not invest it in production, but just use the money. At the end of the year, he might go to the bank and pay back the money, and in this way he can easily live off the bank. In addition, he is not helping us to recognize and evaluate actual production costs in this country, because he is distorting our economy.

Therefore, we have to curb salary increases in order to not place more money in circulation than we already have. Doing so could exert even greater pressure on the prices of products, on the products themselves, and would make speculation easier. We also have to control credit so that it will not distort our economy and become inflationary by itself.

How are we going to curb credits? Through more controls. We have no choice but to wage a political-ideological struggle with the workers, to explain to the workers what the situation is, and to increase productivity and everything else. However, we already have experience in this regard with the workers. We have gained experience. In the case of producers, we are not going to restrict credit and say we are lending only so much. Instead, credit will be available for financing, say, for example, 70 percent of production. This is because a producer is supposed to make some profit and to reinvest part of his profits in production, and not use only the bank's money for production costs.

Therefore, credit is available. The producer can take advantage of it. No limits are being set, but that credit is worth very much. That is, we are now going to assign credit its actual value, so that a producer who receives 100 cordobas will also have to repay 100 cordobas later. This will be achieved by charging interest, which will change depending on the inflation rate.

We cannot continue to deceive ourselves. This is a fact. Therefore, the producer will have to think twice and say: All right, I am taking this credit. Does this entail risks? Yes, I face risks. Some people will say: Well, I am not going to ask for credit now, and I will see how profitable my production is. Well, we will see to what lengths he will go to produce something, because he has to make a living. Or, instead of taking credit as lightly as he did before, the producer will think twice, improve his calculations, better estimate his costs, and say: Well, I need just this much. He is not going to apply for the amount of credit he used to request in the past. He is going to ask for less. Production includes imported materials. Everything includes imported materials, and the imported material has a certain value. We have to recognize the value of the imported material and thereby determine the real value of everything, of everything we produce.

What does this step of curbing salaries mean? It means that salaries cannot be adjusted as workers would like. The simplest thing would be to hike salaries right now, to increase them by 150 percent, 180 percent, or 200 percent. This would be the simplest thing to do in view of the prices of goods. Well, we cannot do this. This cannot be done, because we would not be resolving the problem this way.

In other words, if we (?increased) prices, this would not enable workers to purchase goods right away. This would not be possible. If we increased salaries, this would not allow the workers to purchase goods. [sentence as heard] This is not possible. As for the producers who are always asking for more and more credits: Well, they will now have a ceiling, which they are going to set for themselves. The bank will not set it for them. The bank will tell them: The money is there but it is worth this much. Therefore, the bank can recoup its losses. It will recover money in the first year.

All this cash will be transferred simply to keep the value of our exports at international market prices. Nicaragua cannot be an exception to the existing economy. But Nicaragua will enjoy preferential prices on the international market. Imagine, Nicaragua an economic power with preferential, subsidized prices on the international market. We cannot act like this. We have to admit this. Everything we import has an average value on the international market. When this average value is converted to cordobas, we have to assign a value to it; be it 10 to 1, 20 to 1, 70 to 1, 100 to one, or whatever. We simply have to assign an average value to everything we import. [Words indistinct] but we close our eyes, do not want to see this, and assign a lesser value to these imports.

The international market operates like that. When we sell coffee to the Soviet Union, the GDR, or a capitalist country, the reference point is the price on the international market. We cannot invent any other standard. We could even get a price higher than the one on the international market. This does not mean we will get double the price for the coffee, cotton, or sugar that we sell to them. But there is a reference point. We cannot set whatever price we want. We always use the current international

market price. If they decide to pay double the current price, this would be a political decision. This does not have anything to do with trade mechanisms or international trade relations. When the GDR or Soviet Union donates products to us that is only a political decision.

What does all this mean? The price of a number of products that are still priced at their true value will increase in relation to the Nicaraguan workers' purchasing power, which is limited. The price of these products will increase. This began to occur when we took certain measures. We have said that the prices of tractors, cars, agricultural production materials, and tires were much lower. In some cases, we will protect prices. [Passage indistinct]. In other cases, prices will continue to move freely. But the price of essential products will rise.

Yet this does not mean we are dealing with a typical capitalist free market. We are dealing with a free market in a revolutionary state in which there is a clear socialist orientation.

Transportation should be more expensive. If we consider the cost of operations, we will see that transportation should be more expensive. Because we are not raising the workers' salaries, we will continue to subsidize transportation. We will also have to explain this when we study taxi fares. We will explain the cost of transportation. We have to take into consideration the cost of subsidizing transportation. When we meet with workers, when every one of you meets with this sector—the Region No 5 trade union leaders with rank-and-file members, Region No 3 enterprise workers with enterprise rank-and-file members, teacher leaders with teachers at the various regions, health leaders [with health workers]—our subsidy policy must be explained, just as the crude reality of our economy must be explained.

Education, health, defense, and transportation are subsidized. At the right time, we will see these subsidy figures.

It may be observed that we have an impressive amount of currency exerting pressure on the economy and promoting inflation, but we have no other recourse than to maintain economic measures, because the idea is not to apply IMF-type measures, if such a term exists, and the idea is not to turn our economy into a typically capitalist one. The idea is to use certain market economy mechanisms without giving up other mechanisms, such as planning. We are not giving up planning. Planning continues to be a basic element of our economic strategy.

We are not renouncing our influence on production, on guiding production through planning, on prices, and on the distribution of products. We are not renouncing any of that. This is not a matter of IMF measures. It is not that we are establishing a different system. Instead, we are readjusting the measures that we decided upon in February and that correspond to our system of a mixed economy, which must be preserved for the reasons that we have already explained. No other model fits here. The conditions do not exist, either objectively or subjectively, to apply another model in this

country; we have to adjust to our reality and provide economic answers on the basis of our own reality. The workers must understand this well.

We have contradictory factors here that are typical of any revolutionary process. The fact that there is an incentives policy for exporters and producers can cause resentment among wage earners, and justly so. They can say: How can there be a policy in which incentives are given to producers and not workers? The worker just hears words such as conscience, ideology, but not salary, and the producer has incentives. Well, the fact is that the producer is a reality in this scenario and we have no other choice, because the only other way would be to take away that man's opportunity to react to economic stimuli.

Thus, we have to act with a higher interest in mind: the defense of this revolutionary power, which is the power of the proletariat, the workers, a power based on our revolutionary principles, based on Sandinism, which is, in turn, undeniably based on Marxism, on a proletariat ideology. Taking these things into account, we have to accept the treatment given to producers.

Let us not lose sight of the fact that producers have to pay taxes. We are not going to say that there are no unscrupulous producers. There are probably many producers who are cheating us. We must be alert to prevent producers from cheating, but with this credit policy and with these actions, the possibility of cheating will be diminished.

Going back to salaries: It is true that readjustments are going to be minimal and that this is going to have a marked negative impact on the social sector, because teachers and health workers have limited resources. Producers, on the other hand, can use the incentives as a means with which to increase their real wages.

It is not the same thing to nominally increase wages. After all, we could order a nominal wage increase for all companies, but how many of those companies are productive? How many of those companies are concerned with being productive? What kind of discipline is there in those companies? What kind of organization is there in those companies? To what extent has the management of those companies met with workers and labor unions to discuss the company's actual situation and measures that should be taken to meet production requirements in this time of crisis?

If we just readily grant credits to those companies and increase workers' wages, it would be impossible to measure productivity, and the worker would be receiving a nominal wage that does not correspond to his productivity. In some cases it might be commensurate with productivity, and in others it might not. In some cases, wages will be lower than the productivity rate, and, in other cases, wages will be too much for what the worker produces. There is no way to measure productivity other than through incentives. That is consistent. That is not inflationary, because a worker who increases his productivity and thereby improves his real wages, is contributing to production. This improvement in

his real wages achieved through incentives does not cause inflation, because it reflects the productivity of the worker himself. In other words, the incentive will continue to be an important element in strengthening the workers' real wages.

We must not forget that the present phase is one of the defense of the revolutionary government. This is our main task: defense of the revolutionary government. All those measures are not going to resolve our economic problems. We must find a way to guide the labor force left idle toward rural productive areas. If we manage to fill all the jobs available in the rural areas, this will be reflected in increased coffee production and, therefore, in increased national resources. In other words, we must make a real effort to move labor to the countryside to bolster production there and to create a greater awareness among ourselves and the population of the fact that this country is experiencing a war, an aggression, and that we do not see—over the short or medium term—at least with this [U.S.] Administration, any prospects for a negotiated solution.

We must be prepared to wage new battles to lead us to a greater and extraordinary mobilization of our forces against the counterrevolutionary forces, which are the Yankee administration's pet project. Of course, our struggle is all the more complex because it is taking place in a context in which we have political and ideological forces that are powerful and have an economic impact on the revolutionary process. They provide substantial aid to the armed counterrevolutionary forces and abet the Yankee strategy to topple the Nicaraguan revolution.

Therefore, comrades, this is what we wanted to tell you. In the next few days you will be learning... [changes thought] The question here is not to make announcements [words indistinct] that we are going to adopt such and such measures. Instead, in practice, in daily life, you will be learning about the measures. Each government body, each institution will announce them. However, we know now in what context the measures are being adopted and what political-ideological effort we have to make to defend these measures, which are aimed at preserving our revolutionary process and our revolutionary power. [applause]

RN on Failure To Reach Permanent Cease-Fire
PA1506003588 Managua LA PRENSA in Spanish
10 Jun 88 p 12

[Communique issued by the Nicaraguan Resistance (RN) Directorate in Managua on 9 June]

[Text] The Nicaraguan Resistance reports to the Nicaraguan people and the international public:

1. With dismay we announce that a permanent cease-fire agreement was not reached at the most recent round of talks held within the framework of the Sapoa agreements.

2. The war our people have been suffering for the past 7 years—suspended almost entirely since 21 March—should not be resumed. The Resistance will not begin offensive military operations.

3. We reaffirm our determination to find solutions to the crisis affecting our country through the civilized means of political negotiations.

4. In the next few days we will be issuing official notes to His Eminence Cardinal Miguel Obando y Bravo and His Excellency Joao Baena Soares requesting their assessment of the Nicaraguan Resistance's actions during the meetings.

Managua, 9 June 1988

Nicaraguan Resistance Directorate

Proposes Arias as Guarantor

PA1506002588 Managua LA PRENSA in Spanish
13 Jun 88 pp 1, 12

[Excerpt] In a telephone interview with the newspaper LA PRENSA this morning, Alfredo Cesar said "if Daniel Ortega wants to sit with the Nicaraguan Resistance at the negotiating table, he will first have to talk with President Oscar Arias."

After leaving Nicaragua on Thursday, Cesar went to San Jose to meet with President Arias and ask him "to be the guarantor of any future democratization agreement."

The chief negotiator's decision is the decision made by the rebel organization as a last resort "because, in view of Daniel Ortega's lies, the national and international public feels that only Arias, the architect of the Esquipulas II peace plan and a Nobel Peace Prize winner, can determine, with great credibility, if the Sandinists are not fulfilling their commitment," Cesar explained from Miami today.

Cesar stated that peace is very far from happening in Nicaragua due to "the Sandinist intransigence." He added that his organization will not waste its time trying to convince the Nicaraguan people that a permanent peace is near.

Regarding the failure of the negotiations to end the war, Cesar attributed this failure to the government's refusal to offer the necessary guarantees to put into practice the democratization measures demanded by the RN.

He noted that an important factor in the failure of the talks was keeping Humberto Ortega as chief government negotiator, because "he is not prepared to negotiate, but to impose his will. When he no longer has any arguments, he resorts to threats and low blows."

When LA PRENSA asked Cesar if he had secretly met with General Ortega and Major Cuadra twice in El Chipote, he said that Ortega, when he was left without any further arguments, began to threaten them and said that there had been secret negotiations in order to divide the RN leadership.

"The only negotiations that took place were those at the negotiating table, in the presence of witnesses," Cesar emphasized, noting that he is aware that "Sandinist attempts to destroy us have crashed against the wall of our cohesion and unity." Cesar reiterated that this unity "will be maintained at any cost." [passage omitted]

Roberto Ferrey Denies Differences Within RN
PA1406132588 San Jose Radio Impacto in Spanish
1830 GMT 13 Jun 88

[Interview with Nicaraguan Resistance (RN) Directorate Secretary Roberto Ferrey by reporter Alejandro Acevedo; date and place not given—recorded]

[Text] [Acevedo] Dr Roberto Ferrey, are there differences among members of the Nicaraguan Resistance Directorate?

[Ferrey] There are no differences. Diverse opinions do exist, which is very logical. At this moment, though, the RN's unity is consolidated, and this was shown during the round of negotiations in Managua. The RN is at this time issuing a communique in which it reaffirms its solid unity and rejects any slander against the members of its Directorate. It also states that this campaign is a smokescreen the Sandinists are using to try to cover up the fact that they rejected the RN's proposal because of their inflexibility and lack of political willingness to guarantee (?deep) democratic reforms, thus causing an impasse in the negotiations, which have been indefinitely suspended.

[Acevedo] Much attention is being given to Daniel Ortega's upcoming appearance before the OAS. What is the significance of Ortega's presence at the OAS at this time?

[Ferrey] It is part of the Sandinists' propaganda campaign. As far as we know, this is a regular meeting of the OAS Permanent Council, not a special session. The Sandinists were seeking an international forum because if there had been an agreement—in other words, if the RN had accepted the Sandinists' position that there must be disarmament prior to any democratization process in Nicaragua—they could have announced it this coming Thursday at the OAS. Daniel Ortega must acknowledge that the negotiations failed because of the Sandinists' inflexibility and lack of political willingness. We are not sure what he will announce, however.

There is a real danger that the Sandinists will carry out their threat of a military offensive, which they announced on 1 May and which has been supported by troop mobilizations in several locations, as well as by statements by Ortega himself and by Luis Carrion claiming the RN is attacking the EPS. The RN has promised the witnesses to the talks that it will not begin offensive military actions at any time and that it will keep its troops where they are, ceasing offensive military operations. In other words, we are indefinitely continuing the cease-fire.

[Acevedo] So at this time, there are no conditions for a new round of talks with the Sandinist regime?

[Ferrey] No, at this time the RN is taking action at the diplomatic level. Today, in fact, at 1830, Honduran President Azcona will be receiving an RN Directorate delegation headed by Azucena Ferrey. The same delegation will be meeting with acting President Castillo Claramount in San Salvador tomorrow, and the day after tomorrow it will hold a meeting with President Cerezo in Guatemala. The reason for this tour is to explain what happened in the last round of negotiations and what the RN's position will be in the future. This is a positive attitude, because the RN intends to continue seeking a political and peaceful solution to the civil war in Nicaragua.

Argentina

Sourrouille Says Report of IMF Cut 'Nonsense'

PY1506011288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2303 GMT 14 Jun 88

[Text] Buenos Aires, 14 Jun (NA)—The Economy Ministry officially reported that tonight Economy Minister Juan Sourrouille labeled as "nonsense" the report that the IMF suspended the disbursement of funds to Argentina for not complying with the guidelines agreed upon by the IMF and Argentina.

The Argentine Government also "received with enthusiasm the position of the French Government" favoring the proposal by President Raul Alfonsin for a reduction of the interest rates and for an extension of the payment terms of the foreign debt.

Indian Official Briefs President Alfonsin

PY1406180988 Buenos Aires TELAM in Spanish
1706 GMT 14 Jun 88

[Text] Buenos Aires, 14 Jun (TELAM)—Today President Alfonsin was briefed by Indian Secretary for Foreign Affairs K. Menon about the disarmament plan that Indian Prime Minister Rajiv Gandhi submitted to the recent UN conference. Menon met with Alfonsin this morning at Government House.

In remarks to the press, the Indian official termed Gandhi's proposal as a three-stage plan that is based on the debates carried out by the Group of Six.

Menon also stated that he briefly discussed with Alfonsin the recent Moscow meeting between Mikhail Gorbachev, the secretary general of the Soviet Communist Party, and Ronald Reagan, the President of the United States.

Governor: Chile Military Integration Possible

PY1406150088 Buenos Aires TELAM in Spanish
1249 GMT 14 Jun 88

[Text] Mendoza, 14 Jun (TELAM)—Mendoza Province Governor Jose Octavio Bordon has reiterated that Argentine-Chilean military integration is possible, indicating that this policy is fundamental and that the maximum guarantee and the urge to demilitarize and denuclearize the southern cone will obviously not be obtained through the signing of important universal documents, nor through discriminatory treaties, but through successive ideas regarding joint lines of thought.

The Mendoza Province chief of state has judged that Argentina-Chilean integration is feasible, more so today when one observes France and the FRG with their combined Armed Forces and unified leadership. He stressed that if this can happen to countries that once fought each other in several wars, then it must be easier

for countries such as Argentina and Chile, which have always been united, with the exception of some short periods, to jointly create the liberating army.

Bordon made these remarks after presiding over the ceremony commemorating the reaffirmation of national sovereignty over the Malvinas Islands that was held in General San Martin Park in this city. He also referred to the remarks that he made in Chile last week on an Argentine-Chilean military integration.

This is a topic that merits thought and work, but I believe, he stressed, that it should not cause any more expectation and surprise than talking about the integration of markets. It might derive from those old ideas about the theory of national security and from those hypocritical ideas in which it is believed that because democracy reigns there is no need for armed forces or for military leadership, nor must one speak about military matters.

Police Arrest Alleged Terrorists in Interior

PY0806214688 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1828 GMT 8 Jun 88

[Text] Cordoba, 8 Jun (NA)—During several raids yesterday and early this morning in Cordoba and other towns in the interior, the police detained two individuals allegedly involved in terrorist actions and seized explosives, ammunition, and military uniforms.

The authorities declined to supply official information on the raids. However, sources linked to the investigation announced that the detention of a suspect in the city of Oncativo resulted in clues for the investigation. The suspect supplied important data on the activities of several people who reportedly comprise a terrorist cell.

Using this data, the police last night and early this morning raided a house on Montevideo Street, Nueva Cordoba district, in the city of Cordoba. They found two bars of TNT, ammunition of different calibers, several grenades, and some military uniforms.

According to police sources, the security forces detained two people, named Galloppo and Palacios.

The Cordoba security agencies attach importance to the case, although spokesmen for these agencies were cautious about describing the magnitude of this criminal organization.

It is suspected that the detainees are the perpetrators of an attack carried out several months ago at the Republic de Israel Square, Cerro de las Rosas district, in the city of Cordoba, where a bomb exploded shortly before the dedication ceremony of the square's promenade. The Israeli ambassador to Argentina was present.

The group might also have been involved in an attack in late March on a store at 300 Buenos Aires Street. The store is owned by relatives of Jaime Pompas, the Cordoba Social Bank chairman, a former president of the DAIA (Delegation of Argentine-Jewish Associations) office in Cordoba, and an UCR member.

The same cell may have been involved in an attack night before last on UCR member Roberto Tello, a neighborhood leader. A Spanish-made grenade, which failed to explode, was placed at Tello's house.

Cordoba Minister of Government Jose Caferata Nores personally reported on the investigation to Vice Governor Mario Negri, the acting governor, who, in turn, telephone Governor Eduardo Angeloz, who is campaigning in Neuquen Province.

Rightist Cell Suspected

*PY1006025088 Buenos Aires DYN in Spanish
2310 GMT 9 Jun 88*

[Text] Cordoba, 9 Jun (DYN)—Since early today the provincial police have been actively investigating the possible existence of an ultrarightist terrorist cell, police sources revealed.

In a search operation carried out at about midnight in a house located in the 100 block of Montevideo Street in Cordoba, police found trotyl bricks, grenades, military uniforms, and Nazi emblems.

The investigations started a few days earlier, following an attack with explosives on the Pompas Brothers textile firm. Last Tuesday, an unidentified man was arrested in Oncativo, 80 km south of Cordoba.

Statements made by that suspect led to the search operation mentioned above and the arrest of two people who reportedly go by the names of Palacios and Galopo [as received].

Federal Judge Carlos Uboldi, who is in charge of this case, has imposed strict pretrial secrecy.

Charges Filed

*PY1206231588 Buenos Aires BUENOS AIRES
HERALD in English 12 Jun 88 p 17*

[Text] (DYN-NA)—Cordoba Police discovered another arms cache and more rightwing political literature of the kind belonging to followers of former Lieutenant-Colonel Aldo Rico when they raided a house in a middle-class neighbourhood of this city yesterday.

The police, however, ruled out any connection between yesterday's find and the ultra-rightwing anti-Semitic group that was smashed in Cordoba earlier this week. According to police, the arsenal, which included firearms, ammunition and explosives, belonged to another ultra-rightist terrorist organization.

Meanwhile, Judge Luis Carlos Uboldi, who is investigating the activities of the anti-Semitic terrorist group, charged its principal members Orlando Romero and Roberto Palacios with malicious damage, illegal association and possession of military weapons. Alejandro Gallapo was also charged in the case.

The three have confessed responsibility for planting the bomb which exploded at the Pompas Brothers textile company in Buenos Aires on March 29. Police have not yet been able to determine the type of explosive material used in the bombing, saying that the information is needed in order to verify whether the explosives discovered in the anti-Semitic organization's arsenal are the same type as those used in the Pompas Brothers bombing.

In addition to dedicating themselves to terrorism, police revealed that the antiterrorist group also participated in some sort of esoteric worship. In the gymnasium where the explosives were located, police also found strange black and white masks, and an abundant collection of literature on Satanic rites and rituals.

Meanwhile, police continue to search for a man named Damian or Felipe Crespo, who is also allegedly connected to the group.

Police Find Cache of Weapons in Cordoba

*PY1106155288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1210 GMT 11 Jun 88*

[Excerpt] Cordoba, 11 Jun (NA)—The provincial police have found another cache of guns, ammunition, and explosives. Apparently the cache has no relation to the anti-Semitic cell that was disbanded in this city this week, and seems to belong to another ultraright terrorist group.

The cache was discovered accidentally at 2150 Oncativo Street in the General Paz District, when a police patrol raided the house investigating a complaint of common crime. According to unofficial reports, the policemen found guns, explosives, ammunition, and some political literature, which "seems to belong to former Lieutenant Colonel Aldo Rico's group."

Based on the finding, Federal Judge Luis Carlos Uboldi ordered an investigation by Deputy Prosecutor Luis Roberto Rueda. [passage omitted]

Defense Ministry Communique on Smuggling Probe

*PY1006131288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2335 GMT 9 Jun 88*

[Text] Buenos Aires, 9 Jun (NA)—The Defense Ministry has taken the necessary measures to grant a request from the prosecutor for administrative crimes in connection with an investigation into the export of military equipment to Ghana aboard the Panamanian-flag ship "Nobistor," which was seized by Brazilian customs officials.

In this regard, today the ministry released the following communique:

"The Defense Ministry has adopted the necessary measures to grant a request from the prosecutor for administrative crimes, Dr Ricardo Molinas, regarding the export of military equipment to Ghana.

"The objective of the measures is to establish responsibility in the affair. This decision will be reported to the Treasury, which will take the appropriate measures."

Ricardo Molinas ordered an investigation when the "Nobistor" was detained in Brazil in late 1986. The ship's crew included U.S. citizens, presumed to be mercenaries, who were carrying the weapons to Ghana after picking them up in Argentina, apparently violating Argentine customs regulations.

Molinas charged that Military Factories President Jorge Horacio Carnelli "has tried to evade the administrative investigation," despite the fact that he and Mauricio Van der Broek, another Military Factories official, are being prosecuted by the courts.

Molinas asked Defense Minister Horacio Jaunarena to keep Carnelli out of "the investigation" because of his "clearly obstructionist position."

Economic Measures Considered by Government
WA141151 Buenos Aires AMBITO FINANCIERO
in Spanish 5 May 88 pp 1-2

[Text] Yesterday this paper published some of these measures. Today we publish all 57 economic measures now under government consideration aimed at reducing the public deficit to a mere 3 percent of the GDP. But we have to make something clear to the reader: The government doubts they can be applied and up to now President Alfonsín has only agreed to enforce, starting today, a strict monetary program and the initiation of a new approach regarding state-owned enterprises; for example, to limit budget allocations and to eliminate future subsidies, with two exceptions: one is State Coal Deposits, and the other is the railway system. But even the railways must make a supreme sacrifice to secure their own financing and authorize the leasing of railroad track lines and cars to private firms which might want to transport their products in exchange for assuming the cost of repairs to the railroad equipment used. This proposal, for instance, was made to the Olavarria Loma Negra enterprise.

These 57 measures, which it is doubtful will be adopted, were presented to and approved by Eduardo Angeloz, the future presidential candidate of the Radical Party. Consequently, their announcement will have an important significance in the political future of Argentina. The 57 austerity measures contain three basic concepts: 1) to reassign funds for a more just state; 2) to redefine the size of the state and which entities will remain part of it; and 3) to reduce the role of the state as a producer and review its subsidies and franchises. This is why, at the political level, these proposed measures sound too decisive for the short 1 and 1/2 years of rule that remain. However, another segment of the Radicals insists that if these measures are not adopted, the electoral possibilities of the UCR in 1989 diminish considerably. While this issue is being resolved within the government, it

behooves the public to know what is under discussion. Following are the 57 measures which in general are very important and some of which have never before been defined in the nation:

1. Initiate the privatization of the YPF [Government Oil Deposits] fleet.
2. Announce in July the bidding schedule for the oil-bearing areas in favor of the private sector (national and/or international).
3. Divide the CNEA into a nuclear-electric enterprise and another sector devoted to nuclear research. One of the areas will come under the Ministry of Public Works and Services.
4. Delay the construction of the Mendoza Nuclear Hospital.
5. Privatize ENACE [Argentine Nuclear Enterprise for Electric Power Plants].
6. Transfer YPF gas stations to the private sector.
7. Halt the construction of submarines. Consider the privatization of the Domecq Garcia shipyards.
8. Delay the construction schedule of future nuclear plants.
9. Close down TAMSE (Tank Factory). Satisfy payroll commitments for a period of 2 years.
10. Begin privatization of AFNE (State Shipyards and Naval Factories).
11. Restructure and partially privatize Hipasam (Patagonia Steel) and Zapla Blast Furnace. If necessary, meet salary requirements.
12. Report on the progress of the stock sales of state-owned petrochemical enterprises.
13. Report on the progress of the agreements between Aerolineas Argentinas and SAS [Scandinavian Airlines], and between ENTEL [National Communications Enterprise] and Telefonica Espanola.
14. Draft a plan for the transfer of marginal thermal plants.
15. Municipalize SEGBA [Greater Buenos Aires Electrical Services].
16. Announce the privatization of ELMA (Argentine Maritime Lines) with stockholders participation.
17. Initiate the complete transfer of secondary state gas networks to the provinces, municipalities, and cooperative subscribers.
18. Amend the decree on the present system of "buy Argentine" and submit it to Congress for its approval. Simultaneously lift tariff barriers affecting state enterprises.
19. Submission by the executive branch to Congress of a new draft bill for industrial promotion. Veto the current bill approved by the majority in the Chamber of Deputies. In the meantime, halt all current programs.
20. Introduce a new bill in Congress decreeing that every new law containing exemptions or deferments must be approved by two-thirds in each chamber and include alternative financing from the public sector.
21. Set in motion an expeditious plan fostering gains in productivity and a gradual reduction in mining and industrial operations in State Coal Deposits concurrent with the privatization of complementary services by the enterprise. Announce that on 1 October 1988

the enterprises's main installation will be located in Rio Turbio. Launch a personnel reduction program within the main installation. 22. Submit to Congress a new ports draft bill. The General Port Administration will be eliminated. 23. Starting in 1988, include state subsidies, price subsidies in state enterprises, and Central Bank rediscunts in the national budget. 24. Review the energy plan based on new financial limitations. Cancel the Pichi-Picun-Leufu and Garabi projects. 25. Submit to Congress the draft bill delaying the transfer of the capital for a period of 3 years. 26. Delay the Buenos Aires-La Plata highway project financed with state funds. 27. Consider the restructuring of the railway system (breaking up the network and a call for bids from the private sector). 28. Submit to Congress a demonopolization bill for its endorsement. 29. Eliminate public offices which represent sectorial interests. Liquidate the National Sugar Administrative Office immediately, the Yerba Mate Regulatory Commission, and the National Wine Industry Institute. 30. Privatize the Fishing Concentration Market of Mar del Plata immediately. Privatize the Finance National Market as well. 31. Provincialize the airports; delay the PERFA [not further identified] 2,000 plan (the transfer of Aeroparque and the expansion of Ezeiza). 32. Within 120 days, review by a congressional commission all of the decentralized departments and special accounts with the special participation of the State Administration Secretariat. Proposal from the executive branch for the elimination of offices and the accounts shown in the appendix. 33. Eliminate all branches of the National Mortgage Bank and the National Development Bank. Execute the immediate sale of the building. Transfer their technical functions to the National Bank and maintain salaries for a period of 2 years. 34. Within 90 days, recommendation from the Public Administration Secretariat for the redefinition of the functions of the secretariats and under secretariats, as well as the system of stability to facilitate the changes. 35. Formulate restructuring plans to produce a new dimension in the operations of Military Factories. 36. Immediate privatization of television Channels 11 and 13. 37. Decentralize the National Food Program [PAN]; social nonprofit organizations will be incorporated. PAN funds will include a tax bond to defray public services. 38. Billing by national hospitals of social services for their assistance. If needed, funds will come from INOS [National Institute of Social Projects]. 39. Grant financial and administrative autonomy to national hospitals, which will be able to collect funds to improve services. This will create an independent wage policy and community representatives will be incorporated as hospital managers. 40. Begin the decentralized management of FONAVI [National Housing Fund] funds together with the automatic allocation to the provinces. 41. Reduce the cost of public housing to make it available to the low income sectors. A state dwelling should cost \$7,000. 42. Increase the recovery of FONAVI funds to reach 10 percent recovery by 1989. 43. Beginning in the 2d half of 1988, levy a tax on national universities to contribute to their own financing. Implement a system of scholarships. 44. Initiate jointly with interested parties a plan to review educational subsidies to private colleges. 45. Eliminate

the career of scientific researcher and replace it with a plan endorsing research projects. 46. Gradually transfer midlevel and technical education to the provinces. 47. Within 60 days, receipt by Congress of a draft bill calling for the complete revision of the social security system. The retirement age will be 65 years for both men and women. Eliminate privilege systems, both within the national administration and the legislative branch, as well as in the security forces. Remove the last obstacles to institute retirement funds to complement the minimum pension guaranteed by the state. 48. In order for citizens of Buenos Aires to pay for their services, transfer 90 percent of the federal police to the Buenos Aires municipality. 49. Toward that same objective, transfer part of the federal justice system to the municipality. 50. Update SEGBA taxes so that subscribers pay the real cost of services. Special complementary bond for the low-income sector. 51. A similar plan for Ferrocarriles Argentinos in the metropolitan area. 52. Incorporate social participation in the task and the financing of services for minors and the elderly. 53. Incorporate social participation in the task and the financing of museums, national theaters, choirs, etc. 54. Privatization and Social Fund. [sentence as published] 55. Abolish the General Administration of Ports. 56. Intermunicipalize SEGBA. 57. Reform the basic charter of the Central Bank.

Bolivia

Government Plan Seeks To Purchase Foreign Debt
PY1406123288 La Paz PRESENCIA in Spanish
10 Jun 88 p 1

[Text] Central Bank officials have told PRESENCIA that the Bolivian Government will make a proposal to buy, using its own resources, the \$364 million balance of its foreign debt that is pending with 58 foreign private banks.

According to Central Bank officials, those banks, members of the main Bolivian creditor consortium, did not accept Bolivia's attempt to purchase its foreign debt in 1987.

Under that proposal, the Bolivian Government offered to purchase the debt at 11 percent of its nominal value, a price set by the New York secondary market.

The proposal was accepted by 54 banks. The transaction will be carried out with funds donated to the Bolivian Government. According to the energy minister, these funds, worth \$26 million, are deposited in an IMF fiduciary fund established for that purpose.

It should be remembered that the condition set by the creditor banks for the debt purchase is that Bolivia make the deal using donations from third countries.

The Bolivian Government has persuaded those 54 creditor banks to sell 45 percent of the foreign-debt principal, which totals \$640 million, on which interest of \$300 million has been forgiven.

The Central Bank reported that the negotiations with the 58 private banks involves 54.3 percent of the debt, some \$364 million.

The source said that these banks want direct renegotiation of the debt in commercial terms (with deadlines and interest) and refused to consider the Bolivian proposal to purchase the debt at 11 percent of its face value.

"The Bolivian Government, however, will insist on purchasing that part of the foreign debt at secondary market prices, because a renegotiation in regular commercial terms will mean disbursements that the country cannot make in view of the difficult economic situation," the Central Bank officials said.

If this group of 58 banks do not accept the Bolivian proposal, the government will have to submit to commercial renegotiations and spend part of its internal savings to pay this debt.

In 1988, multilateral payments (with international organizations) and bilateral payments (with other countries) will consume 33 percent of the Bolivia's national budget.

The "face to face" negotiation with creditor banks must begin this month, but authorities are trying to extend the deadline until July and expect the banks to accept.

Campesino Affairs Minister on Coca Eradication
PY1406035688 La Paz PRESENCIA in Spanish
7 Jun 88 p 7

[Text] Yesterday Jose Guillermo Justiniano, campesino and livestock affairs minister, said that 1,500 hectares of coca plantations have been eradicated in Bolivia so far, thereby demonstrating the effectiveness of the government coca substitution policy.

He said economic restrictions do not allow voluntary eradication of coca plantations to take place more rapidly.

Regarding petitions made by coca farmers who demanded the approval of a law on coca leaf production and another one for the control of dangerous substances, the minister urged the peasants to seek further mediation. He said that through dialogue many problems can be resolved, until a final document is drawn up that will regulate coca plantations and at the same time repress the drug traffickers.

'Important' Trafficker Escapes From Hospital
PY1406141888 Madrid EFE in Spanish 0342 GMT
14 Jun 88

[Text] Cochabamba (Bolivia), 13 Jun (EFE)—Today Bolivian Prosecutor Alberto Cossio said that Bolivian drug trafficker Maria Cueto Lafuente took advantage of her admittance in a hospital in Cochabamba, east of La Paz, to escape on 7 June 1988.

Cossio described Maria Cueto as an "important" drug trafficker. She was captured on 10 February 1988 in possession of nearly half a ton of cocaine sulfate.

Maria Cueto Lafuente had tried to escape from a women's penitentiary in Cochabamba, Cossio said, but in her attempt to escape she injured an ankle and asked to be admitted to a medical center. She took advantage of this to escape, in complicity with her guards.

Today Jorge Alderete, Bolivian Interior Ministry social defense under secretary, said that peasant protests against the antinarcotics bill, a bill that will include rules and regulations for the cultivation of coca leaves, are being promoted by drug traffickers.

Alderete pointed out that the drug traffickers are interested in maintaining the level of production of coca leaves in order to ensure their volume of coca processing, and that for this reason the drug traffickers are encouraging the peasants to protest against the government.

Brazil

Army Minister Begins Visit to PRC 13 June
PY1406002388 Brasilia Domestic Service in Portuguese
2200 GMT 13 Jun 88

[Text] Army Minister General Leonidas Pires Goncalves was welcomed in Beijing at a luncheon given by Xu Xin, deputy chief of the Joint Staff of the PRC Popular Liberation Army. Today Minister Pires Goncalves arrived in the PRC for a week's visit at the invitation of the PRC National Defense Ministry.

Itamaraty Secretary General To Visit Iraq
PY1406124688 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1000 GMT 14 Jun 88

[Text] Today Itamaraty Secretary General Paulo Tarso Flecha de Lima will leave for Iraq to discuss bilateral trade and the Iraqi debt with Brazilian contractors. The \$300-million debt stems from Brazilian projects in the Iraqi railroad and hotel sectors.

Chile

Merino Denies Presidential Candidate Nominated
PY1506023788 Santiago Radio Chilena Network
in Spanish 2300 GMT 14 Jun 88

[Excerpt] Admiral Jose Toribio Merino has said it is totally false that a candidate for the plebiscite has been nominated. Merino made this comment in answer to opposition leaders who said that a decision regarding the candidate had already been made.

The admiral met with reporters at the end of this afternoon's legislative session. [passage omitted]

Extension of IMF Debt Rescheduling Program
PY1506014188 Santiago Radio Chilena Network
in Spanish 2300 GMT 14 Jun 88

[Excerpt] Central Bank President General Enrique Seguel has said that the Chilean Government and the IMF have agreed to extend by 1 year the program of debt rescheduling. The program would have expired next August. Seguel reported on the agreement during the inauguration of SISAC-88, the pro-Chile fair in support of export. The preliminary agreement will be approved by the IMF Board of Directors in July or early August, Seguel said. The Central Bank president said that if the agreement is approved, the IMF will extend a new \$75-million credit to Chile.

Seguel then told reporters that the government is carefully administering the increased flexibility in Chilean foreign accounts in order to sustain a continuous high growth rate. This increased flexibility encourages businessmen and investors to do business in Chile, helps the growth rate, and makes the handling of the mechanism of debt conversion easier, Seguel said. [passage omitted]

FPMR Leader on Program, Achievements
FL1406020588 Havana Radio Reloj Network
in Spanish 1949 GMT 13 Jun 88

[Text] (Sergio Bushman), Chilean author and leader of the Manuel Rodriguez Patriotic Front [FPMR], held a news conference at the AALAPSO headquarters on various aspects of the group he represents. (Bushman), who was one of the four comrades who participated in the spectacular escape from a Valparaiso prison last year, said anyone who wants to fight the regime with weapons on hand can be part of the Front regardless of age, creed, or sex.

He noted that the Front has a political-military program. That is, asserted (Bushman), each military action is a result of a specific political event. The idea of nonviolence, regardless of where it comes from, has lost its strength in Chile because people understand that there is only one way to deal with repression, torture, and missing people: to fight with weapons on hand, added (Bushman).

He said on behalf of his organization that the plebiscite will not bring a solution to the situation in Chile.

Among the achievements of the Front in its 4 years of existence, (Bushman) noted its having shown that the dictatorship is not infallible and that the regime does not have a monopoly over the use of weapons but that it is a right of the people who seek their freedom.

The FPMR leader said his organization has support groups in various countries which allows them to act better. He mentioned the cases of Sweden and the FRG.

(Bushman) asserted that the junta is assassinating Carabineros to blame the Front with those crimes and discredit it. However, he pointed out that his organization only executes torturers and henchmen who have stained their hands with blood directly or indirectly.

Labor Leader Remains in Custody in Arms Case
PY1106030888 Santiago Radio Chilena Network
in Spanish 2300 GMT 10 Jun 88

[Excerpts] Ad hoc Military Prosecutor Fernando Torres Silva has confirmed that labor leader Freddy Nunez has been brought before the court. The military prosecutor is currently interrogating the labor leader and will later determine Nunez' legal situation.

Democratic Workers Center Secretary General Hernol Flores said that the military prosecutor's confirmation that Nunez is in custody is good because he now at least knows Nunez' whereabouts. [passage omitted]

Flores said he was surprised that the military prosecutor is holding Nunez over the arsenal case.

[Begin Flores recording] We are really quite surprised, because if the prosecutor wanted to interrogate our colleague Freddy Nunez, he could have simply summoned him. Freddy, no doubt, would have reported to the court because he has nothing to hide. That he is in custody over the arsenal case is, as far as we are concerned, nothing but a political persecution, pressure being exerted on a serious, responsible, peaceful, and democratic labor leader. [end recording]

It should be recalled that Flores and Nunez voluntarily reported last Friday to discuss the issue when Flores learned that in a house he owns, which was rented through a real estate broker, the police found an arsenal. Yesterday Military Prosecutor Luis Acevedo released both Flores and Nunez. Nunez, however, was arrested immediately thereafter, and up until this afternoon his whereabouts were unknown.

FPMR Claims Failed Military Prosecutor Attack
PY1306141688 Santiago Domestic Service in Spanish
1030 GMT 13 Jun 88

[Text] The Manuel Rodriguez Patriotic Front [FPMR] has disclosed its deadly plan to murder ad hoc Military Prosecutor Fernando Torres.

The terrorists have issued a communique stating that they planned to shoot Fernando Torres from five different points.

The FPMR tried to minimize the brutality of their aborted plan, which occurred at noon on 27 May, by cynically stating that one of the cells was forced to withdraw at the last minute due to the presence of a crowd of people in the area.

The aborted attack was perpetrated on the corner of Los Leones and Heliodoro Yanez Avenues, in La Providencia neighborhood.

The communique states that two FRMR cells took part in the attack. One of them, comprising four extremists riding specially equipped motorbikes, was supposed to have distracted the people. The other cell was in charge of the attack and comprised five hooded men. Each of these five terrorists, cowardly hidden, were supposed to have opened fire on the military attorney.

According to the communique, the presence in the area of many possible innocent victims prompted the terrorists to abort the second phase of the sinister plan.

However, contradicting themselves in their effort to minimize their cruelty, they said that one of the terrorists riding a motorbike had managed to plant a bomb on the prosecutor's vehicle but the chauffeur's immediate zig-zag maneuver caused the bomb to fall to the ground.

Bombs Cut Power Lines, Interrupt Rail Traffic
PY1006141488 Santiago Domestic Service in Spanish 1030 GMT 10 Jun 88

[Text] The police have reported that a number of bombs placed on electric towers alongside the railway line in the southwest Santiago area have cut high-voltage wires and destroyed some track. No casualties were reported.

The report says that at about 2200 last night, unidentified individuals placed several bombs on electric towers carrying 12,000-volt electrical wires near the corner of Departamental and Maipu Streets. The report adds that the wires fell on the rails and destroyed a section of track, interrupting rail traffic with central Santiago.

The report says that other bombs were placed at Lo Errazuri spillway without causing damage or injuries. Finally, a firebomb was thrown into an empty San Cristobal-La Granja bus at the corner of Los Duraznos and Los Falsos Streets. Part of the bus was burned.

Briefs

New Yes Vote Group

The Great Civic Front [Gran Frente Civico] organization, which was established today, has asked the Armed Forces commanders in chief and the director general of the Carabineros to nominate President Pinochet as the candidate in the upcoming plebiscite. The newly-established Great Civic Front organization is headed by Carlos Cabello and has a membership of 1.25 million and a goal to struggle for the victory of the yes vote in the plebiscite. [Excerpt] [PY1006220388 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 10 Jun 88]

No Vote Group Created

Yesterday the Social Accord for the No Vote was officially created under the presidency of Hector Moya, chairman of the Metropolitan Region Truck Owners' Federation. [Summary] [PY1406152488 Santiago EL MERCURIO in Spanish 10 Jun 88 p C-2]

New Socialist Party Leaders

The Socialist Party has elected its new leadership: Guido Briceno is the new president and Alfonso David Leon, Jaime Arratia, and Miguel Pizarro are the new vice presidents. [Text] [PY0906224888 Santiago LA TERCERA DE LA HORA in Spanish 29 May 88 p 18]

Socialist Regional Registration

The Chilean Socialist Party has registered with the electoral court in the 5th, 6th, and 7th Regions. This information is published in the Official Gazette today. The request for registration was signed on behalf of the party by Ximena Orrego Montes and Miguel Pizarro Olivares. The Socialist Party has declared itself a non-Marxist party, against communism, but an opposition party. [Excerpts] [PY1406183588 Santiago Domestic Service in Spanish 1700 GMT 13 Jun 88]

Colombia

Barco Explains Justice Minister's Dismissal
PA1406173988 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Jun 88

[Statement issued by President Virgilio Barco—date and place not given]

[Text] Since the beginning of my administration and even during my electoral campaign, I have expressed my interest in resolving the serious problems that have been plaguing the judiciary for years. The strengthening of the administration of justice is a necessary condition for asserting the government's authority in the peaceful resolution of conflicts.

On previous occasions, I have explained the government's policy of increasing the efficiency of the administration of justice. We have been correcting institutional breakdowns that exist as a result of the failure of the reforms that were implemented over several decades. We have increased the allocation of resources so judges can carry out their duties efficiently. We have strengthened administrative mechanisms and have proposed the reinforcement of the constitutional order.

Dr Jaime Bernal Cuellar was appointed justice minister because of his well-known competence in the legal field and his experience as a professor and criminal lawyer.

Unfortunately, for reasons I cannot explain, in recent statements Dr Bernal has tried to impose views that were not discussed with me and that in some cases contradict guidelines I have given in the past. This is absolutely unacceptable. The president is in charge of setting policy, as in any presidential democracy. I cannot accept any conditions by a government official on the implementation of policy.

In view of this situation, I am forced to nullify the decree by which Dr Bernal was appointed justice minister.

Exporters Against Cargo Flight Suspensions
PA1306131388 Buenos Aires REUTER in Spanish
2258 GMT 12 Jun 88

[Excerpts] Bogota, 12 Jun (REUTER)—Today export associations protested against the decision made by Colombia's biggest airline, Avianca, to suspend its cargo flights to the United States. The airline decided to suspend these flights because of the millions of dollars in fines it must pay each time U.S. officials find cocaine hidden in Avianca planes.

Yesterday in Washington Avianca President Orlando Cabrales announced that the airline was suspending cargo flights to the United States after it paid a \$3.4-million fine levied on it by the Miami customs office because of 490 kg of cocaine that was found hidden in a flower shipment. [passage omitted]

Colombian export associations stated that Avianca's decision could be followed by six other firms that transport flowers and other perishable products to the United States.

An export association leader who asked not to be identified stated: "The drug trafficking problem will not be solved by suspending flights and harming legitimate exports; it is a problem that concerns both export firms and the government." [passage omitted]

Ecopetrol Head Demands Solidarity Over Attacks
PA1306163088 Bogota Emisoras Caracol Network
in Spanish 1215 GMT 13 Jun 88

[Excerpt] Francisco Jose Chona Contreras, chairman of Ecopetrol [Colombian Petroleum Enterprise], has demanded solidarity from all sectors in order to reject and protest the terrorist escalation against the oil infrastructure of the country. He charged that the individuals receiving the benefits of the fuels business are keeping silent on this problem. Chona Contreras disclosed that since 1986 there have been 71 attacks against the Cana-Limon-Covenas oil pipeline, 40 of which occurred during the first 6 months of this year.

He said that there has been a loss of 380,000 barrels of oil to date and that this represents a monetary loss of 9.5 billion pesos, including the value of the oil and the repair to the pipeline, but that this did not take into account the huge damage done to the environment. [passage omitted]

Defense Minister Defends Armed Forces' Role
PA1306165388 Bogota Emisoras Caracol Network
in Spanish 1215 GMT 13 Jun 88

[Text] The Armed Forces have the capacity to defeat the subversives, but the military is not exclusively responsible for resolving all of the problems affecting Colombia, Defense Minister General Rafael Samudio Molina has stated.

The defense minister answered questions concerning an article appearing in EL TIEMPO on retired General Rafael Pena, who challenged the way the government has restricted the Army in recent years. We are not paralyzed, the defense minister pointed out. Gen Rafael Samudio Molina admitted it was a mistake to sit down at the same table with the subversives to discuss a dialogue with no time limit and on the basis of the unilateral demands presented by the subversives. He then explained that the limitations that impeded the Armed Forces in the past were being overcome.

The minister sent a letter to the president of the Republic in which he made various comments regarding the statements made by the former commander of the 9th Brigade. He said there was an urgent need to bring private citizens before military courts, because only through an institutional system of justice would it be possible to control the collective crime attacking the country and to counter the threats and intimidations by the criminal groups.

Gen Samudio stated that the Army has the duty to neutralize and control subversion so that the bloodbath in Colombia will come to an end and so that peace and tranquillity will again prevail throughout the national territory to enable Colombia to meet its promising destiny. In concluding his letter to President Barco, the defense minister said that the role of the Armed Forces is not and cannot be a passive role. Our duty is a decisive task that we are fulfilling according to the Constitution and the law. He added: We are not at a standstill. We maintain our fighting spirit, and we believe that the restrictions that impeded us in the past are being overcome.

Defense Ministry on 1988 Guerrilla Attacks
PA1306180188 Bogota Inravisión Television Cadena 1
in Spanish 0100 GMT 13 Jun 88

[Report by Miriam Ortiz and Fernando Rodriguez on "results of subversives' actions in 1988"—recorded; broadcast in progress]

[Text] [Ortiz] ...this tragic result in 1988, according to reports issued by the Defense Ministry.

[Rodriguez] The subversives' actions have been directed at the national pipelines and have been reinforced by kidnappings, war taxes, and attacks against the Armed Forces.

[Ortiz] Thus far this year there have been 36 attacks against Ecopetrol [Colombian Petroleum Enterprise] pipelines, which seems will be the highest number of attacks in Ecopetrol's history.

[Rodriguez] Since 23 May, which is the same date peasants' marches began, work at 130 oil-producing wells have been suspended because of threats against workers or the company.

[Ortiz] As for kidnappings, the reports state that 143 Colombians have been affected, including peasants, businessmen, and livestock breeders. Two people were found dead this week. In addition, 11 foreign citizens were kidnapped this year.

[Rodriguez] Thus far, 89 national Army soldiers, 102 policemen, and 12 other soldiers have been killed. Casualties inflicted on the guerrillas added up to 266, and 480 rebels have been arrested.

[Ortiz] The statistics also show that this year there have been 18 attacks on villages, 15 ambushes of police patrols, and 10 ambushes of Army troops.

[Rodriguez] The most violent regions in the country are Uraba, Middle Magdalena, Cauca, Arauca, Casanare, the upper section of the Ariari River, and San Jose del Guaviare.

[Ortiz] According to WHO, violence is the leading cause of death in Colombia.

Reportage on Guerrilla-Army Clashes, Violence

14 Killed in Bucaramanga

PA1106183788 Bogota Inrvasion Television Cadena 1 in Spanish 1730 GMT 10 Jun 88

[Report by Carlos Alirio Meneces]

[Excerpts] Fourteen people were murdered in the red-light district of Bucaramanga last night by a strange group that calls itself the Black Hand.

As you may recall, a few months ago the poor areas of Cali were the site of similar massacres of prostitutes, homosexuals, and beggars. Let us see what happened in Bucaramanga last night.

This new massacre was initially attributed to the so-called death squads that operate in this capital. The massacre began at about 2200 when 6 people were strafed outside the La Brasa Restaurant in downtown Bucaramanga. Subsequently, the criminals headed north toward Madrid Cafe, where they continued the massacre.

Other areas in downtown Bucaramanga and its outskirts were the scenes of this massacre. [passage omitted]

Although the witnesses were not allowed to make statements in front of our cameras, they said the criminals had machineguns and drove a Renault-12 and a Nissan Patrol.

Two Bucaramanga courts and the regional attorney general's office are already investigating the incidents.

'Rebel Offensive'

PA1306140188 Buenos Aires REUTER in Spanish 2232 GMT 12 Jun 88

[Text] Bogota, 12 Jun (REUTER)—Three soldiers and an undetermined number of guerrillas were killed in fighting and occupations over the weekend in Colombia in what observers have called a rebel offensive on all fronts.

The increase in guerrilla activity was concentrated in Antioquia, Cauca, and Tolima Departments. The Army initiated wide-ranging operations to stop the expanded guerrilla actions, which also left three policemen and four civilians wounded.

The Armed Forces offensive followed a meeting of the National Security Council yesterday, which was presided over by President Virgilio Barco, to analyze the situation and to adopt extraordinary measures due to the kidnapping of former presidential candidate Alvaro Gomez Hurtado.

A group of guerrillas from the so-called National Guerrilla Coordinating Board (CNG) occupied the town of Andes, Tolima Department, for several hours last night and attacked its police post with grenades and rockets.

According to the town's civilian authorities, the guerrillas extensively damaged the police post, which was defended by six policemen. The commander and one policeman were killed and three others were wounded. The number of rebel casualties was not known, but many trails of blood were found.

The estimated 40 guerrillas who attacked the town fled after a Colombian Air Force plane dropped flares to help the police locate the rebels.

According to observers, the guerrillas launched an offensive on all fronts with the objective of sabotaging the economy through attacks against the country's oil infrastructure.

Meanwhile, joint Army and police patrols are pursuing the CNG guerrillas, who yesterday occupied Granada, a town of 6,000 inhabitants in Antioquia Department.

Approximately 80 men attacked government offices and caused serious damage to stores and the police post. Four rebels were killed and three civilians wounded, according to an official report.

A doctor and a nurse were kidnapped by the rebels and forced to give medical aid to two wounded guerrillas. They returned to Granada yesterday after being released.

In Cauca Department troops of the 3d Army Brigade are pursuing the M-19 guerrillas who on Friday clashed with soldiers and killed one Army officer.

An official report states that an undetermined number of guerrillas have been killed since the beginning of the persecution campaign, and in Corinto, where the guerrillas fled, the authorities found extensive marijuana plantations.

The CNG is composed of the M-19, the FARC, the Army of National Liberation (ELN), and the Popular Liberation Army (EPL).

Meanwhile, the security organizations continued investigations into the kidnapping of Alvaro Gomez Hurtado, captured by an unknown group calling itself Colombians for National Salvation, which, according to the government, is part of the M-19.

ELN Attacks Army Patrols

PA1306195888 Bogota Emisoras Caracol Network
in Spanish 1215 GMT 13 Jun 88

[Text] Troops from the Army's 8th Brigade and from the Operational Command stationed in Arauca are controlling the rural and urban areas of Arauquita and Tame, where the ELN attacked two patrols, killing two soldiers and critically wounding nine. The first attack by the subversives took place in Arauquita, where a Caldas Battalion patrol was ambushed, and, as a result, one soldier was killed and three were wounded. Six hours later, another soldier was killed and six were wounded when a truck was attacked by machinegun fire while on the highway to the Tame airport.

6 Soldiers, 4 Civilians Die

PA1506005688 Bogota Emisoras Caracol Network
in Spanish 1215 GMT 14 Jun 88

[Text] As a result of an escalation of guerrilla violence during the last few hours in different parts of the country, six military men and four civilians were killed and a bridge and power transmission tower were destroyed.

Authorities have confirmed that on (El Loro Avenue), Rio Sucio, Caldas Department, a police patrol was ambushed. Policemen Libardo Martinez Calle and Gerardo de Jesus Pino Acromo were killed. Four other policemen were injured in clashes with alleged guerrillas.

In Arauca intendancy, between Tausa and Arauquita, two soldiers were killed and two others were injured, some seriously, when they were attacked by alleged ELN rebels.

In Cesar Department, soldiers Antonio Restrepo Bermudez and German Bula Mesa were murdered, while five others were injured.

According to police, on the bridge over the (Banadia River), between Puerto Narino and Arauquita, alleged ELN members killed Hector Eduardo Ruiz, general manager of the [words indistinct] before his wife's eyes.

Among civilians killed by the rebels are: cattleman Luis Felipe Reyes, who was shot to death in Risaralda Department, and peasants Alejandro Martinez, Orlando Hernandez Castro, and another unidentified peasant.

Violence Leaves 21 Dead

PA1406224088 Paris AFP in Spanish 1655 GMT
14 Jun 88

[Text] Bogota, 14 Jun (AFP)—Violence continues to prevail in Colombia, where 21 people—soldiers, civilians, and guerrillas—died recently as a result of rebel attacks and common crimes.

Today the authorities admitted that the M-19 leftist guerrillas, who have maintained a unilateral truce since January, when they announced that they would no longer attack the Army, have renewed their operations.

M-19 military leader Carlos Pizarro Leon-Gomez announced that the organization would change its strategy and declare war on what he called the oligarchy.

However, early this morning two M-19 columns attacked farms near the towns of Corinto and Miranda, southeastern Cauca Department, where the rebels traditionally have their center of operations.

Corinto Mayor Alfonso Gomez reported that Army official Jose Walter Valencia died during the attack, adding that the rebels seized some machinery and money.

Likewise, five people died and six were wounded during a clash between the police and the Maoist People's Liberation Army (EPL) in the coffee-growing regions of Caldas Province.

The report adds that two policemen and three subversives died in the clash.

The police stated that public order has particularly deteriorated in northeastern Arauca Province, on the Venezuelan border, where the pro-Cuban National Liberation Army (ELN) guerrillas murdered Hector Ruiz, regional manager of the Colombian Institute of Agrarian Reform (INCORA).

The official's vehicle was strafed by 20 men.

Furthermore, one soldier died and seven were wounded when an Army patrol was ambushed in the same zone. Another soldier died near the Jubilo-1 oil well.

A Defense Ministry bulletin has confirmed that a military patrol surprised a group of guerrilla fighters when they were preparing to blow up the Cano Limon-Covenas oil pipeline, which has been attacked 41 times this year.

Another soldier died during a clash with ELN subversives in Arauca Department.

Meanwhile, three guerrilla fighters died in northeastern Santander Department, San Vicente de Chucuri jurisdiction, the site of peasant marches 2 weeks ago.

One soldier died during an M-19 attack against a military base in Villa Garzon, southwestern Putumayo Province.

The police report added that five civilians were murdered at the port of Barrancabermeja, where guerrilla groups, including the Revolutionary Armed Forces of Colombia (FARC), have spread violence.

Ecuador

Official: Oil Field Militarization Possible

PA1406175188 Madrid EFE in Spanish 0740 GMT
14 Jun 88

[Text] Quito, 13 Jun (EFE)—Today acting Energy Minister Hernan Chiriboga warned of the possibility that Ecuador's oil installations might be militarized to prevent a labor strike.

Chiriboga said that even though the Ecuadoran State Petroleum Corporation (CEPE) workers may not organize a strike, the government decision would be implemented according to the country's security laws to protect the country's oil installations.

A strike could be called as the result of a lack of an agreement between the CEPE directorate and its workers concerning a labor contract that includes a 30-percent salary increase.

The CEPE directorate offered a salary increase establishing the minimum wage at 21,000 sucres (approximately \$43) [time period not specified] and a maximum wage of 41,000 sucres (approximately \$80); however, the workers are demanding a salary increase that establishes a minimum wage of 30,000 sucres (approximately \$60) and a maximum wage of 55,000 sucres (approximately \$110).

Paraguay

Ortigoza Case 'Concrete Developments' Expected

PY1406150688 Asuncion HOY in Spanish
14 Jun 88 p 8

[Excerpt] Yesterday reliable sources told HOY that "concrete developments" could take place "in the next few days" concerning the case involving Captain Modesto Napoleon Ortigoza, who sought asylum nearly 3 months ago at the residence of the Colombian ambassador to Paraguay,

Vicente Martinez Emiliani. Thus far, the Paraguayan Government has not agreed to grant Captain Ortigoza safe-conduct to leave Paraguayan territory.

According to our sources, the Paraguayan authorities will "definitely" not grant him safe-conduct but instead would "formally" grant Napoleon Ortigoza the "necessary guarantees" for him to leave the country in "a diplomatic vehicle."

The sources, however, refused to give more information on the level of government at which this issue is reportedly being discussed. The sources added: "The Foreign Ministry must report on this point. I cannot get involved in matters concerning the Foreign Ministry. The fact is that there may be developments in the next few days." [passage omitted]

Police Cordon Off Febrerista Party Headquarters

PY1106191288 Asuncion ULTIMA HORA in Spanish
11 Jun 88 p 10

[Excerpt] This morning policemen prevented leaders of the Febrerista Revolutionary Youth and foreign youths who have come to Paraguay to attend the Meeting of Southern Cone Political and Democratic Youths from entering the Febrerista Revolutionary Party (PRF) headquarters, known as the Casa del Pueblo.

At about 0530 the police cordoned off the PRF headquarters and closed the gates. Since then they have stood by preventing people from entering or leaving the place.

Only administrative personnel, who do not hold important positions in the party, are inside the building now.

Although only a few policemen could be seen outside the Casa del Pueblo, on Manduvira Street between 15 de Agosto and Juan O'Leary Streets there were also patrols inside the Central Electoral Court, which is across the street from the Casa del Pueblo. [passage omitted]

Foreign Minister To Visit ROK, Japan

PY1406151688 Asuncion HOY in Spanish
14 Jun 88 p 7

[Excerpt] Yesterday Paraguayan Foreign Minister Carlos A. Saldivar announced another tour that will take him to the ROK and to Japan in June 1988.

Saldivar's trip to the ROK, in response to an official invitation extended by the ROK Government, is scheduled for 23 June. After a 5-day visit to the ROK, Saldivar will make an official visit to Japan, which will also last 5 days.

Asked about the objective of his visit to the ROK, Saldivar said that it will be "to discuss bilateral issues with that country. We will also focus on trade issues." He said that the idea is "to implement a trade agreement that was recently approved in Congress."

Saldivar added: "This agreement will be ratified. We hope that we will be able to benefit from the technology of the ROK, which is an industrialized country. We also hope to sell our products to the ROK." [passage omitted]

Peru

State of Emergency Extended in Lima, Callao
PY1506025088 Lima Television Peruana in Spanish
0100 GMT 15 Jun 88

[Text] State of emergency has been extended for 30 days in Lima and Callao. Therefore, the Armed Forces will continue to maintain internal order in these two provinces.

Police Generals Sentenced in Fraud Case
PY1406142488 Madrid EFE in Spanish 0345 GMT
14 Jun 88

[Text] Lima, 13 Jun (EFE)—Today three police generals, including a former director general of the Peruvian Civil Guard (GC), were sentenced in Lima to 1 to 3 years in prison for having been implicated in a case of fraud against the state.

The Military Court found former GC Director General Juan Balaguer guilty of negligence, although it threw out the case of fraud because there was not enough evidence to find him guilty, and sentenced him to 1 year in prison.

The court sentenced two other generals to 3 and 2 years in prison and a GC captain to 3 years in prison for fraud.

After listening to the sentence, Balaguer, who was the GC director between 1983 and 1984, announced that he will appeal to the Appellate Court of Military Justice.

The officers were accused of using for their own purposes funds belonging to the GC.

Uruguay

Government Lodges 'Formal Protest' With Cuba
PY1406232288 Madrid EFE in Spanish 1911 GMT
14 Jun 88

[Text] Montevideo, 14 Jun (EFE)—Today the Montevideo press reported that the Uruguayan Government has sent a "formal protest" to the Cuban Government regarding the behavior of Cuban Ambassador Joaquin Mas Martinez.

Last week Mas Martinez engaged in a "heated" argument with Uruguayan Defense Minister Hugo Medina at the British Embassy.

The newspaper EL DIA, which supports the ruling Colorado Party, cites official and diplomatic sources to report that the ambassador's situation is "extremely serious" and that he will leave within the next few days for a new mission.

Sources at the Uruguayan Presidency and Foreign Ministry consulted by EFE reported that for the time being, "there are no comments."

Meanwhile, the Cuban Embassy has reported that Ambassador Mas Martinez left for Havana on Sunday and that "no date has been set for his return."

The report indicates that the Cuban ambassador has for a long time conducted "inappropriate actions which are prohibited for an ambassador, such as visiting union headquarters." Those actions led to a "formal protest" by the Uruguayan Government.

This is the first incident between Cuba and Uruguay since the resumption of diplomatic relations on 17 October 1985.

Mas Martinez is the first ambassador accredited by Cuba to Uruguay since the resumption of diplomatic relations.

Uruguay broke relations with Cuba in September 1964 after accepting an OAS recommendation to isolate the Fidel Castro government.

'Disappearance' of Military Weapons Confirmed
PY1406118188 Paris AFP in Spanish 1610 GMT
14 Jun 88

[Text] Montevideo, 14 Jun (AFP)—Today the Uruguayan Defense Ministry confirmed the disappearance of disused materiel and small caliber handguns.

In a communique, which does not specify the quantity of materiel that has disappeared, indicates that the disappearance was discovered when an administrative check was made of the stock in the hands of the Materiel and Weapons Department.

According to press reports, six officers, five noncommissioned officers, and five soldiers are presumably involved in the theft.

The still unconfirmed reports indicate that the theft was committed in 1985 and that the stolen weapons were sold in Paso de los Libres, an Argentine town located on the Argentine-Brazilian border.

The weapons had presumably belonged to Tupamaro guerrillas, who in the 1960's and 1970's fought the Armed Forces until they were defeated.

According to the reports, 16 heavy automatic pieces, 100 light automatics, 200 carbines, and munitions were stolen.

Military sources have told AFP that the incident is being evaluated by top military authorities and that there is the possibility that the case will be submitted to the courts when the administrative investigation is concluded.

Guyana

Government Terminates Agreement With USSR *FL1406155388 Bridgetown CANA in English 1436 GMT 14 Jun 88*

[text] Georgetown, Guyana, June 14, CANA—The Guyana Government has terminated an agreement with the Soviet Union under which Georgetown acquired the TU-154M Tupolev aircraft for the state-owned Guyana Airways Corporation (GAC), according to Trade and Tourism Minister Winston Murray.

Murray made the disclosure Monday, while answering questions from a group of Canadian businessmen representing 14 companies who are here exploring investment opportunities, mainly in the country's minerals sector. He told them the Guyana Government had no agreements with any communist bloc countries with which it was locked-in. Murray said the agreement with the Soviet Union had been terminated and the aircraft handed back to the Soviets late last year.

The aircraft was acquired in 1986 in a barter deal under which Guyana was to supply the Soviet Union with bauxite in exchange for the aircraft. However the GAC, which used the aircraft for its international operations, encountered a series of problems with the aircraft, including engine failures. These difficulties led to prolonged negotiations between the Guyanese and Soviet Representatives about the fate of the aircraft and the agreement.

Murray disclosure was the first official public statement on the matter.

Suriname

'Serious Doubts' by Army on Church Mediation *FL1406180588 Paramaribo International Service in English 1730 GMT 14 Jun 88*

[Text] Serious doubts have arisen in the national Army about the objectivity of the church leaders of the Committee of Christian Churches [CCK]. The CCK has since April of this year been appointed by the government as official negotiator in the armed conflict in the interior of Suriname.

Badresseein Sital of the military authority said yesterday during a press conference that the objectivity of the CCK is in doubt because until now the negotiators have not yet made contact with the national Army.

In a statement, Sital further indicated that the terrorists are being viewed by the church leaders as the good guys and the soldiers of the national Army as the bad ones. The integrity of [words indistinct] was also discussed.

Sital said that national Army has information that for some time now the [words indistinct] has been contacting members of the so-called liberation council in Holland and French Guiana. The manner in which the CCK gets information about [words indistinct] is being viewed as proving thus in the eyes of the people in the Army, according to Sital, who said that the national Army will not allow this.

On Talks With 'Terrorists'

*FL1406183688 Paramaribo International Service
in English 1730 GMT 14 Jun 88*

[Text] The head chiefs of the interior population, who in the [words indistinct] areas have the highest authority, can make an important contribution for the return of peace and security.

This opinion was expressed by Commander Badresseein Sital during a press conference by the national Army.

Commander Sital said the national Army does not think that negotiating with terrorists is the right thing to do. The military leader further indicated that there are many international examples who show that nowhere in the world there is negotiations with terrorists.

According to the national Army, the terrorist gang in southeast of Suriname is artificially supported by foreign countries. He added that at the moment the government is busy investigating via international channels and forums the support of foreign countries and organizations.

Sital finally said that without foreign help, the solutions to the problems with the terrorists can still be reached.

Government Suspends Importation Licenses *FL1406192588 Paramaribo International Service in English 1730 GMT 14 Jun 88*

[Text] All licenses for the importation of goods without foreign currency transfer, the so-called EA licenses, have as of yesterday been stopped by the government.

This was declared yesterday in the National Assembly by Trade and Industry Minister Wilson Grep. (?This doesn't include) [words indistinct] if they have already ordered goods will get back their licenses, according to the minister.

Since its installation in January, the government has announced its intention to stop the system of (?recording) without foreign currency transfer. Now there is talk of regulation of the EA imports.

Last week Assembly Chairman Jaggernath Lachmon repeated his intention and urged the government to take immediate action. The high prices of several items, according to Lachmon, are a direct result of the existing EA system. [passage indistinct]